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A friend of security guard Danny Vargas collapses at the sight of his body after he was shot dead by Palestinian terrorists in Hebron yesterday. (AP)

Settler slain in Hebron; Arab killed near Itamar

Police: No connection between murders

By MARGOT DUDKEVITCH

Terrorists shot and killed 29-year-old Danny Vargas, of Kiryat Arba, at close range before dumping his body on the roadside and fleeing in his car to the Palestinian-controlled sector of Hebron early yesterday afternoon.

Hours later, in what police said was an unrelated incident, the body of 68-year-old Mohammed Zalmout, of Beit Furik, was found

Channel 1 reported late last night that police were looking for an Israeli who does not live in the territories.

Defense Minister Yitzhak Mordechai imposed a general closure on Hebron and a curfew on the Palestinians who live in the Israeli-controlled sector of the city last night.

OC Judea and Samaria Brig-Gen. Yitzhak Eitan called on the Palestinians to do everything in their power to catch the terrorists. Eitan said this was the seventh attack in the Hebron area carried out by terrorists who fled to the Palestinian-controlled sector of the city.

Responding to Zalmout's murder, PA Chairman Yasser Arafat's aide Ahmed Tibi called on Israel to impose closure on Itamar just as in Hebron.

Hours after Vargas's murder, an anonymous caller claiming to be a settler contacted Samaria police and said he had avenged Vargas's murder and dumped a body near the entrance to Itamar. Later a second caller contacted the Gideonim farm. Police found Zalmout's body around 8 p.m.

Sivan said Zalmout had not died from gunshot wounds, but refused to divulge any details relating to the murder.

Aharonovitch praised the Palestinian Police for their cooperation in the search for Vargas's killers saying, "This time, cooperation with the Palestinian Police is very good."

The Palestinian Police immediately notified their Israeli counterparts and within minutes IDF and police arrived at the scene and sealed off the area and set up roadblocks at the entrances to Hebron. The site of the attack is not far from the

Hebron Police station, some several score meters away from the Palestinian-controlled section. Two Palestinian journalists said they were walking along Wadi Abu Salim Street when they saw a car speed by in the direction of the Palestinian-controlled sector and a body dumped on the street.

"I saw somebody run over the settler," Majdel Abdo, a cameraman who works for the American ABC network, said, adding he thought at first it was a hit and run road accident. "I called the Israelis

on my mobile [phone] for help, but they hung up on me."

Then the journalists contacted the Palestinian Police, who alerted a local ambulance service and Israeli authorities. The journalists said Palestinian paramedics arrived within 10 minutes and tried unsuccessfully to revive Vargas. According to reports, Vargas had been shot four times in the neck, head, and upper chest area.

Vargas, the father of a three-year-old boy, worked as a security guard at the local power station outside of Kiryat Arba. He was returning home after completing his shift at around 2 p.m. when he was attacked.

Later in the afternoon, the Palestinian Police notified the Israeli Police and IDF officials after finding Vargas's abandoned vehicle in the Palestinian-controlled sector of the city. The Palestinians allowed Israeli forensic experts to examine the vehicle.

Vargas will be buried at Har Hamenuhot in Jerusalem's Givat Shaul this morning at 11:30.

Prime Minister Benjamin Netanyahu condemned the attack on Vargas, reiterating his demand that the PA fight terror, and stressing that this was what had been promised at Wye Plantation.

"We insist that the PA fights terror, not only in a sporadic fashion after an attack, but on an ongoing basis," Netanyahu said in a statement.

See KILLINGS, Page 7

Central bank raises key lending rate 2%

By DAVID ZEY HARRIS

The Bank of Israel's key lending rate will increase by 2 percent to 11.5% as of November 1, Governor Jacob Frenkel announced yesterday. The increase is the first in over a year.

Frenkel's announcement was fol-

Unemployment set to increase, Page 13

lowed by calls for his resignation from business leaders and widespread condemnation from politicians. Prime Minister's Office Director-General Moshe Leon said the increase is "too large a number."

The decision was announced at 8:30 a.m., some eight hours earlier than usual, to help calm the currency market, in which the shekel has depreciated sharply in recent weeks.

The rate hike had the desired effect, with the shekel appreciating for the second consecutive day. Its representative rate against the dollar was set at NIS 4.189, a 1.41% change on Friday's figure.

Commercial banks announced they would follow suit and increase their interest rates.

At an early morning news confer-

ence, Frenkel said the decision was made in light of the growing economic turbulence throughout the world and said "policy-makers in Israel must ensure that this storm does not come our way."

Warning that inflation will show "a sharp rise" in the coming months, Frenkel said market players are now attempting "to cover their positions and to reduce their foreign exchange exposure."

Committing himself to a general policy of non-intervention in trading, the governor said it is crucial that this process be given the room to manifest itself.

"We will ensure that these changes in the exchange rate and thereby in the price indexes will not

translate themselves into a permanent rise in the rate of inflation and, therefore, the purpose is to restore stability."

This instability led Finance Minister Yaakov Neeman to be Frenkel's loudest supporter yesterday, declaring "there was no choice but to increase interest rates after an unreasonable increase in the shekel exchange rate."

Neeman added that he hoped the events of recent weeks will lead to a real depreciation, which would be a considerable boost for exporters.

The attacks on Frenkel were swift in coming. Science Minister Silvan Shalom said he was fed up with the central bank's "zig-zag policy" of cutting, then raising rates.

Industry and Trade Minister Nathan Sharansky decried Frenkel for preventing the government from putting the economy back on a path of sustained growth.

He called for an urgent cabinet meeting to reevaluate the 1999 inflation target, which was set at 4%. In his opinion the target could be raised by 1-2% for the sake of improved growth figures.

Knesset Speaker Dan Tichon proposed weakening Frenkel's power by establishing a council of governors and said he would speed up the process to move to such a system.

Federation of Chambers of Commerce head Dan Gillerman said the only decent thing for Frenkel to do is to resign.

Coming of age

ANALYSIS

By AMOTZ ASA-EL

The tempest that has rattled the shekel in recent weeks has finally climaxed in a poetic-justice crescendo, which leaves an assortment of currency gamblers licking their wounds, a host of political populists crying wolf, and an armada of Israeli households as financially empowered as they have never been.

The shekel's sharp depreciation earlier this month was

touched off by foreign investors, who rushed to sell shekels as part of a broader effort to pay up - in dollars - for emerging-market adventures which had gone awry far from

Tel Aviv.

The shekel's consequent depreciation was then accelerated by local investors who had - for the previous three years - been taking non-shekel loans in an attempt to capitalize on the rate gap which prevailed between the shekel and the major foreign currencies.

See ANALYSIS, Page 7

Rabbi sells kosher sex to 'Playboy'

By DOUGLAS DAVIS

LONDON - Rabbi Shmuley Boteach, who has deployed his considerable American gifts for media hype and self-promotion in his adoptive British home, has sold an extended extract from his latest book, *Kosher Sex*, to the December issue of *Playboy* magazine for a reported \$200,000.

Boteach, whose fellow Habadniks in Britain found his brash, hard-sell style too rich for their taste after publication of his first book, *The Jewish Guide to Adultery*, was asked to resign as rabbi of a modern Orthodox United Synagogue in London following publication of *Kosher Sex*.

Boteach eschews pornography, masturbation and premarital sex, but he counsels a liberal approach to sex, including oral sex, between consenting married adults.

"Every modern form of lingerie, mirror on the ceiling or plastic object that helps to break

a pattern of monotony is kosher," he writes.

While reiterating his opposition to pornographic magazines, he said he was delighted to sell the pages of the magazine to communicate his "serious message" that married couples should strive to be more sexually creative.

Boteach, an American living in Oxford, is the founder of the L'Chaim Society, which he claims is the largest student organization in the ancient university town.

He said his contract with *Playboy* ruled out the publication of pornographic photographs near the 5,000-word extract from

his book.

Boteach, 32, and father of six, insists that his approach to sex is deeply traditional.

"I am not legitimizing pornography," he said. "There is no way anyone can misconstrue my appearance in *Playboy* as an endorsement of the magazine."

"This extract in *Playboy* is significant because it represents the infiltration of religious ideas, which were once dismissed as antiquated, into the popular culture."

"I don't believe in blacklisting publications. I believe that through debate, religion can win in the marketplace."

Poland set to reduce \$800m. Israeli deal

By STEVE RODAN

Poland, under pressure from the Clinton administration, intends to drastically reduce an \$800 million helicopter upgrade deal awarded to Israel last year and then frozen by Warsaw, a visiting Polish defense official said yesterday.

Robert Lipka, deputy secretary of state in Poland's Defense Ministry, said Poland remains interested in limited Israeli participation in the Huzar helicopter upgrade. That portion is the NT-D anti-tank missile being developed by Rafael (the Armaments Development Authority) in a project valued at about \$300 million.

Lipka, who yesterday began a three-day visit, said Warsaw wants to cut the project by about 30 percent, meaning a purchase of no more than 2,500 missiles, instead of the 3,500 discussed last year. "It's too much for us," he said. "We want no more than 2,500 rockets."

An Israeli defense source involved in the negotiations said both the Defense Ministry and the manufacturing consortium are skeptical as to whether Warsaw plans to proceed with the Huzar project. The consortium is led by Elbit Systems and includes Rafael and El-Op Electro-Optics.

Israel and Poland signed an agreement last October for a joint

upgrade of the Huzar. But a new government froze the accord, charging that predecessors awarded Israel the contract improperly.

Lipka also said his government wants the NT-D tested in Poland under winter conditions rather than the 1997 tests in the Negev desert. "We must finish the tests," he said. "If they're no good, we will reopen the competition."

The defense official acknowledged that the move toward Boeing reflects US pressure on Warsaw, which is set to join NATO in April. "We will probably invite Boeing for the avionics," Lipka said. "We have American pressure. Our situation is not fantastic."



NEWS

in brief

US expresses support for Netanyahu

State Department spokesman James Rubin said yesterday the US is not "taking sides" in Israeli politics, but registering confidence in Prime Minister Benjamin Netanyahu's ability to drum up support for the Wye Accord.

"We look forward to continuing to work with him," Rubin said, adding the US is certain Netanyahu will secure approval of the agreement.

Rubin discouraged Palestinian Authority Chairman Yasser Arafat from declaring statehood unilaterally and Israel from new settlement activity. "Those who believe that they can declare unilateral positions or take unilateral acts when the interim period ends are courting disaster," he said.

AP

Netanyahu to brief Weizman on Wye talks

Prime Minister Benjamin Netanyahu is to brief President Ezer Weizman on his talks in the US at breakfast this morning at Beit Hanassi. Netanyahu is to update the president on the details of the accord reached at Wye Plantation and the talks he held with President Bill Clinton and others in the American administration.

Danna Harman

Germany decorates Ivry

German President Roman Herzog yesterday bestowed the Legion of Honor to David Ivry, top adviser to Defense Minister Yitzhak Mordechai, for the strong defense ties he helped develop between the two countries.

The close military ties between Germany and Israel flourished during the decade that Ivry, a former OC Air Force and deputy chief of general staff, served as director-general of the Defense Ministry. Ivry received the medal in a modest ceremony yesterday by Germany's ambassador to Israel.

Arieh O'Sullivan

Pedestrian killed by car on Geha Road

A man who tried to run across the Geha Road early yesterday morning near the Bar-Ilan interchange was hit by a car and killed. An MDA ambulance crew declared the man dead at the scene.

litm

PM campaigns to prevent early elections

By SARAH HONIG

Prime Minister Benjamin Netanyahu rolled up his sleeves yesterday and set out on an intensive effort to save his threatened government.

By last night, however, there was no tangible evidence of success.

Netanyahu met ministers from the different coalition parties as well as key MKs. The ostensible aim was to sell the Wye Memorandum, but beyond that Netanyahu had to make sure that his deal's most uncompromising opponents would not bring down the government via the early elections bill.

Moves to "sell" the Wye agreement to coalition members have already resulted in postponing the cabinet session, in which the accord is to face its first hurdle, from tomorrow to Thursday.

Tomorrow afternoon, Likud central committee members will be convened at the Cinemas Auditorium in Tel Aviv to deliberate the Wye deal.

The consensus in the Likud is that the central committee meeting is projected as a massive show of support for Netanyahu, who controls a comfortable majority in the committee. His own speech and those of Foreign Minister Ariel Sharon and Defense Minister Yitzhak Mordechai are expected to be loudly applauded.

However, the proceedings may be stormy if Eretz Yisrael loyalists confront Netanyahu and if dissenting MK Ze'ev Begin is badly received.

His speech is being anticipated with much tension around Netanyahu, as Begin is noted for his acerbic tongue.

Netanyahu met privately with MK Uzi Landau to try to persuade him that the agreement is better than Landau claims. Landau heads the Knesset Foreign Affairs and Defense Committee as well as the Likud executive.

Landau, however, emerged unsuayed. Netanyahu could derive satisfaction only from the fact that Landau refused to state whether he would support the early elections bill and has said that he plans to lobby for his positions inside the Likud.

Landau has been mentioned by the far Right as a possible alternative candidate to challenge Netanyahu for the premiership. But Landau has not ruled out challenging Netanyahu inside the party.

"We can find a leadership alternative in the Likud, though this may be a lengthy process," he said.

As for the Wye deal, Landau said: "Everything I was shown only deepened my conviction that this is one of the worst agreements ever. Red lines were crossed and in general the content of the memorandum is different from what is presented to the general public."

"Unfortunately, most people fail to read the small print. I can only hope that the central committee members will not turn a blind eye to reality."

Earlier, Netanyahu invited all the Likud ministers to his office and had cabinet secretary Dan Naveh and attorney Yitzhak Molcho go through the details of the agreement. None of the opponents of the deal emerged from the three-hour session saying they had changed their mind.

Later in the day, Netanyahu met with non-Likud ministers and none of them changed their minds, either.

The only hopeful signs for Netanyahu came from what was not said. For example, Education Minister Yitzhak Levy (National Religious Party) did not say that he would vote for early elections, though he stated that "it is an option if the right splinters and fragments. Weighty considerations are involved and much soul-searching is in order."

"We are faced with an awful agreement which hands over large tracts of Eretz Yisrael and which ignored even the most minimalist demands spelled out in government decisions. Settlements are placed in jeopardy and a process of retreat is put in motion. It is all heart-rending."

But the NRP's other minister, Shaul Yahalom, must have buoyed Netanyahu's spirits somewhat when he came out unequivocally against early elections "because we are about to throw the baby out with the bath water. The Right is not united and this will bring the Left to power."

"Those who hanker for revenge against the Netanyahu sellout, should keep in mind that a Left-led government will be a catastrophic alternative to Netanyahu."

Another tireless worker on the government's behalf was Shas' Aryeh Deri, who continued to appeal to the religious parties "not to make a mistake that would bring to power a government whose policies will choke off the settlements entirely. There is no chance for a government better than the one now in power."

No-confidence bill easily defeated

By NINA GILBERT and LIAT COLLINS

The Knesset yesterday easily defeated a motion of no-confidence in the prime minister over the signing of the Wye Memorandum, as the Left provided an expected safety net for the accord in the face of opposition from right-wing MKs. The vote was 21 to eight with 15 abstentions.

Among those who voted for the motion were Michael Kleiner (Gesher), who heads the Land of Israel Front, National Religious Party MKs Zvi Hendel and Hanan Porat, and Labor MKs Ephraim Oshaya, Shalom Simhon, and Sofa Landver.

Oshaya explained his vote by saying the opposition must exploit every chance to topple the government. "It's illogical for the Labor faction to act to move up the elections, while at the same time not voting no-confidence," he said.

Although the Wye Memorandum was the main focus of the debate, the vote on that will not take place next week. Yesterday, Knesset Speaker Dan Tichon said the debate would start Tuesday and the vote be held Wednesday, giving every MK a chance to

speak. The vote will be part of the prime minister's political address to the nation, which was rescheduled from last week.

Molodet leader Rehavam Ze'evi, whose faction submitted the motion, accused Prime Minister Benjamin Netanyahu of lacking a connection to the Land of Israel.

"For you and many of your other friends, this is not a homeland, but pieces of land which can be traded and sold in exchange for something, or given up entirely as if part of a land deal," said Ze'evi, who noted that Netanyahu had made the same statement regarding the Labor government in June 1995.

"You [Netanyahu] claim that you received a difficult inheritance from your predecessors, and that you have supposedly reduced the damage and made unprecedented achievements. This is not true, and the agreement you signed is a document of surrender and defeat," he said.

Deputy Minister without Portfolio Michael Eitan (Likud), who responded to the motion on behalf of the government, said the Wye Memorandum is another chapter in the Camp David process. He tem-

porarily replaced Science Minister Silvan Shalom as the liaison between the cabinet and Knesset, as Shalom said he is not sure he would vote in favor of the agreement.

"We inherited this agreement," he said, "but we said we would not take the same path, but would make changes. We are acting as we promised - to bring peace and security. This agreement is entirely security oriented." If security commitments are not implemented, he said, we won't make concessions.

Eitan's speech was repeatedly interrupted by catcalls from party colleagues Ruby Rivlin and Michael Kleiner, who oppose the accord and accused him of wearing blinders.

He responded by saying that "it is Ze'evi and others who are wearing blinders." Eitan warned Ze'evi against an attempt to topple the government, suggesting it would be a futile attempt to try to form a more nationalistic government, a strategy that has failed in the past.

Shlomo Ben-Ami (Labor) said Netanyahu deserves praise and encouragement for the agreement, "even if he reached it as a religious penitent, adopting the way of Yitzhak

Rabin." He noted that people whose hands were tied were sent to Washington, and then performed a Houdini act and freed themselves of handcuffs.

Amnon Rubinstein (Meretz) said there was no choice but to support the Wye accord, because it is "better than a collision course." He added that the "Likud cannot make peace without us, but we made [peace] without it." At the same time, he faulted Netanyahu for "not knowing how to conduct negotiations, losing his mind, being a serial panicker and untruthful."

At a Labor faction meeting earlier in the day, faction whip Elie Goldschmidt launched a very strong attack on the prime minister, saying, "He has no respect for truth. He has no respect for public integrity. Ultimately, he has no respect for the people he is meant to lead."

Labor Party leader Ehud Barak called Netanyahu and Foreign Minister Ariel Sharon "the midwives of the Palestinian state." However, he added, the Wye Memorandum had been sown with land mines to provide an excuse for later freezing it.

Ministers: American guarantee is weak

By DANNA HARMAN

The letter of American guarantees to Israel, which is an integral part of the deal reached at Wye Plantation, is "weak" and makes no mention of the word "reciprocity," according to several ministers who were shown the letter yesterday.

Prime Minister Benjamin Netanyahu, who plans to bring the deal to the cabinet for ratification on Thursday, started yesterday with a series of meetings with his ministers in an attempt to sell the deal. In addition to going through the points of the agreement, Netanyahu also presented several of them with the yet unpublished American letter - signed by US Secretary of State Madeleine Albright - which guarantees the accord.

"The letter carries no power, and makes no promise of action if the Palestinians renege on their part of the deal," said one minister, who spoke on condition of anonymity.

"It is very weak," a second minister confirmed.

Despite such criticism - and much harsher criticism of the deal itself - it is expected that the cabinet will pass the agreement. An official at the Prime Minister's Office, however, said that Netanyahu told the ministers he is considering putting off the ratification vote until he is assured the Palestinians have presented the completed security plan to the CIA.

So far, the Palestinians only have presented the CIA with a partial plan - one detailing their program for the cities of Tulkarm and Ramallah, for example, but not detailing the complete working plan - and no one has yet seen the entire, secret, security paper.

Meanwhile, preparations for the implementation of the Wye Memorandum, which is to begin the first week of November, continue. US envoy Dennis Ross is expected in the region next week.

Officials at the Prime Minister's Office said Israel is hoping to receive some \$1 billion from the US in order to cover the costs of the redeployment - paving bypass roads, evacuating military camps and increasing security for settlements.

Jordanian soldiers killed in '67 to be buried at Nebi Samwil today

By ARIEH O'SULLIVAN

The Jordanian Armed Forces, with the cooperation of the IDF, are to bury the remains of four Jordanian soldiers killed in the Six Day War in Nebi Samwil just outside Jerusalem today.

Some 130 Jordanian officers and soldiers, traveling in uniform from Jordan, are to bury the four with full military honors, including a regimental band, the IDF said.

The remains were found during archeological excavations in the Jerusalem area three years ago. The bodies have been identified, but their names have not been released.

Israel had planned to return the bodies to Jordan, but Jordan requested that the four, who fell in the fight for the city, be buried at Nebi Samwil. The strategic hilltop was the site of a heavily fortified Jordanian artillery position.

In addition to the Jordanian military contingent, the families of the fallen as well as members of the Jordanian parliament are to attend the ceremony. Jordan's chief of General Staff will be represented by a major-general. Israel will be represented by senior IDF officers and other VIPs, the army said.

More than 6,000 Jordanians were killed or missing in the 1967 war. Of the 764 Israelis killed in the Six Day War, 285 fell on the Jordanian front. The 1994 peace treaty with Jordan provides for the exchange of soldiers' remains by the two countries.



Hebron murder protest

Police grapple with settlers demonstrating against the murder in Hebron of Kiryat Arba settler Danny Vargas last night opposite the prime minister's residence in Jerusalem.

(Flash 90)

IDF training area to be PA nature reserve

By ARIEH O'SULLIVAN

The IDF training ground of Tekoa, extending south of the Jerusalem-Jericho highway to the Judean Desert gorge of Horkanya, is to be handed over to the Palestinian Authority as part of the 3 percent of territory earmarked as a nature reserve, said a security source who has been working on the redeployment map.

The source said the area, which stops short of the ridges overlooking the Dead Sea, begins just south of Nebi Musa, an Islamic shrine which Moslem tradition holds is the grave of Moses.

The dusty Horkanya Valley, known in the IDF as Tekoa, is peppered with manmade ramps, loading platforms, and other earthworks used in training armored troops. It

also contains at least two infantry battalion bases and an armored base, which will be relocated.

Civil administration officials have been meeting to finalize preparations for handing over the area. It is not clear how close the nature reserve will come to the Jewish settlement of Tekoa.

Defense Minister Yitzhak Mordechai yesterday briefed senior IDF commanders on the Wye agreement and issued instructions to prepare for the redeployment.

Later, Mordechai telephoned Egyptian President Hosni Mubarak and updated him on the agreement. The two spoke on ways to advance the peace process in the region, Mordechai's office said.

Mordechai said yesterday he hopes there will not be any con-

frontations between soldiers and Jewish settlers, but warned that demonstrators would not be allowed to hamper the IDF's redeployment.

"The IDF will faithfully carry out every order it is given, even if this is difficult and complicated," Mordechai said. "We are not speaking of any evacuation at this stage. The only thing we are talking about is a redeployment, which is mainly changes in some of the camps and bases and the roads and territories under IDF control."

Calling the settlers "my friends," Mordechai urged all Israelis to accept the decision made by Israel's leaders. "I hope that conflict with [settlers] can be avoided," Mordechai said in an interview with Israel radio.

Mordechai said that, no matter

what the feelings are in the territories, the moment the cabinet and the Knesset approve the Wye Memorandum the IDF would be ordered to go ahead with its implementation.

"In my meeting with the IDF command I instructed them to undertake every action with the appropriate sensitivity and with understanding," he said. "Together with this we are responsible for keeping law and order and we will do this to the best of our ability."

Mordechai added that elections should be held before any major decision is taken regarding the permanent agreement.

"We can't come to a situation of national paralysis. As the time for tough decisions approaches we need to go to elections and get the broadest-based government possible," Mordechai said.

Rajoub praises Wye accord

By LAMIA LAHOUD

Palestinian Authority Preventive Security chief in the West Bank Col. Jibril Rajoub said he welcomes the CIA's mediating and monitoring role on security issues, as laid down in the Wye Memorandum.

"The involvement of any third party to monitor our efforts to fight terror is helpful," he said.

According to the agreement, the CIA is to supervise the PA's implementation of a number of security arrangements.

According to Rajoub, the Wye Memorandum meets the PA's minimum demands and therefore there is no reason for the Palestinian people to oppose it. He said, however, that the Palestinian population does not yet believe that Israel will actually implement what was agreed upon in the US.

Rajoub believes that once the Palestinians see the agreement implemented they will start to support it.

Rajoub accused Prime Minister Benjamin Netanyahu of having used the security issue repeatedly to avoid implementing the Oslo Accords. With the CIA monitoring the PA's actions to fight terror, Israel will no longer have such an excuse, he said.

Rajoub, who broke off security cooperation with Israel last November after the IDF abducted

two wanted Hamas prisoners from one of Rajoub's prisoner convoys, said he still prefers not to deal directly with the Israelis. However, he insisted that he would do his part in fighting terror in compliance with the Wye agreement.

"I do not like the term cooperation," he said.

"But we are committed to fight terror and to protect the agreement with the Israelis, not to please the Israelis, but for our own sake," he added.

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The Board of Directors and staff of the Jewish Federation/Jewish Fund of Metropolitan Chicago mourn the passing, on October 22, 1998 (2 Heshvan 5759), of

MOLLIE GOODMAN

mother of Board member Charles H. (Corky) Goodman and grandmother of Board member Richard Goodman

We extend our heartfelt condolences to her children and their families who have lost a woman of valor and courage

May her memory be for a blessing

סדרה ב' ה'תשנ"ח

Fatah demands justice in killing by PA Police

By STEVE RODAN and MOHAMMED NAJIB

An estimated 2,000 Fatah members and supporters marched peacefully through Ramallah yesterday demanding the arrest and prosecution of those Palestinian Police officers who shot and killed an 18-year-old teenager during a demonstration on Sunday.

The movement of PA chairman Yasser Arafat also ordered a commercial strike to protest the killing of Wasim Youssef al-Tarifi, shot twice in the head during a Fatah demonstration.

The demonstration Sunday had been in response to a raid by PA military intelligence Fatah's offices in Ramallah the previous day.

"Moussa Arafat is an agent of the CIA" and "Hey, Moussa, the coward," the marchers shouted yesterday, referring to the head of PA military intelligence, who is also the nephew of the PA chairman.

"We demand immediate and sincere steps to arrest those responsible for the raid on Fatah and the shooting," Marwan Barghouti, Fatah secretary-general in the West Bank, told the protesters.

Barghouti said that in a telephone conversation with Arafat, the PA chief had condemned the killing and ordered the arrest and immediate prosecution of those responsible.

Sitting behind Barghouti was PA Civil Affairs Minister Jamil Tarifi, the uncle of the dead teenager.

In an open letter printed on the front pages of Palestinian daily newspapers, Tarifi's family urged Arafat to "hit with an iron hand on the hand of the person responsible for this horrible crime."

Tarifi family members said they will not bury Wasim until Arafat responds to their demands. Fatah has planned another demonstration for today.

PA officials vowed to investigate the shooting and bring those responsible to trial.

They and Fatah officials agreed that the feud between military intelligence and Arafat's movement was not connected to any PA crackdown on opponents to the Wye Memorandum, which has been criticized in Fatah as well as among Islamic activists.

Instead, Palestinian sources said the attack was part of a growing split within Fatah.

For its part, sources in PA military intelligence said their raid on Fatah offices on Saturday was to arrest five members who allegedly attacked an intelligence officer two days earlier. The five were released yesterday.

PA security officers said at this point they do not know who shot Tarifi.

Cornerstone laid for Yarmuk dam

Israeli-Jordanian project to supply Amman with diverted flood water

By DAVID RUDGE

A symbolic start was made yesterday on the first joint Israeli-Jordanian water project since the signing of the peace accord between the two countries four years ago.

A ceremony to mark the laying of a cornerstone for a new dam to catch and retain the flood waters of the Yarmuk River was held at the site of the project, in the Adasiya area of Jordan.

The ceremony was attended by Foreign Minister Ariel Sharon, who also holds the National Infrastructure portfolio, and Jordanian Water Minister Hani Mulki, as well as many other officials from both countries, including Water Commissioner Meir Ben-Meir and Israeli Ambassador to Jordan Oded Eran.

The Yarmuk dam project, which is expected to take a year to complete, is aimed at enabling the Jordanians to store millions of cubic meters of winter flood water from the river and divert it to Amman via the King Abdallah canal.

The dam project is expected to cost \$2.3 million and is being financed by the Jordanian government with the help of the international community.

"Four years have passed since the peace accord with Jordan — an accord which we believe in and support with all our hearts,"

Sharon said at the cornerstone laying ceremony.

"We want to do all in our power to strengthen it [the accord] and the network of relations between our two countries," he said.

Reports from the scene said Sharon arrived an hour late for the ceremony because of a meeting in Jerusalem with National Religious Party ministers over the Wye Memorandum.

Sharon, in his speech, praised the pivotal role Jordan's King Hussein played in helping to reach the agreement with the Palestinians. He said that the courage and character of the King would be needed by all in the future to help promote the peace process.

After the ceremony, Sharon and Mulki held a working meeting in nearby Umm-Kis.

Reports from the region said the two ministers agreed on the establishment of a joint body for the planning, development and raising funds for other joint water and economic projects between the two countries. Sharon asked Mulki to relay his respects and best wishes to King Hussein's brother Crown Prince Hassan.

Later, the Jordanian and Israeli delegations visited the ancient Roman ruins of Umm-Kis, which is designated to become a joint tourism project in the al-Hamma region.



Foreign Minister Ariel Sharon (right) shakes hands with Jordanian Water Minister Hani Mulki on a bridge over the Yarmuk River yesterday. The two ministers inaugurated a diversion dam which is expected to improve the inflow of Yarmuk River waters into Jordan. (AP)

Libel victims can be compensated without proving damage

The Knesset last night passed a law under which the courts can oblige people found guilty of libel or slander to pay the victims compensation of up to NIS 50,000, even if the victims cannot prove that they suffered damage as a result.

The fine can be doubled if it is proved that there was malicious intent.

The bill passed 20-6 with one abstention. It was prepared by coalition and Likud whip Meir Sheerit.

The fine was originally set at NIS 30,000 but was increased during the bill's second reading.

Likud and Labor MKs supported it; Meretz and Hadash opposed it. Sheerit said it was the first of a series of bills on libel and slander "and amends a major injustice in which the onus was on the victim to prove there was damage."

Haj-Yihye immunity vote delayed

The vote in the Knesset House Committee on the request by Attorney-General Elyakim Rubinstein to lift the parliamentary immunity of MK Rafik Haj-Yihye (Labor) so he can stand trial for assaulting a private investigator has been postponed to next week.

However the mood after yesterday's meeting indicates the request will be granted.

Haj-Yihye is accused of assaulting the investigator, throwing his camera on the ground and exposing the film. The incident occurred in August 1994 at a time when Haj-Yihye was Taiba mayor. The proceedings against him

AT THE KNESSET

By LIAT COLLINS

were frozen in June when he took over from MK Moshe Shahal as a Labor MK.

The investigator was taking pictures at a gas station for a damages case but Haj-Yihye apparently thought the photos were being taken of him. Haj-Yihye denies the charges.

Haj-Yihye's lawyer Zakki Kamal said the complaint had been filed against his client only because he had been a mayor and a public figure.

Several MKs, however, said since the case had come to court before Haj-Yihye entered the Knesset, the trial should go ahead.

New UTJ MK

Avraham Yosef Lazerson was sworn in to the Knesset yesterday as a United Torah Judaism MK; he is replacing Moshe Gafni. The change was part of a rotation agreement between Agudat Yisrael and Degel Hatorah, the two factions which make up UTJ.

Also yesterday MK Sallah Salim (Hadash) became a deputy speaker in place of Labor's Efi Oshaya, also under a rotation agreement.

His appointment was noisily contested by the Moledet MKs and MK Michael Kleiner (Gesher).

Moledet MK Benny Elon protested Salim's appointment because he is still being investigated for incitement, after he openly told reporters a few months ago that Arab land dealers who sell land to Jews should be killed and "turned into meatballs."

Salim rejected the criticism of his appointment and said he intended to act "as a democrat."



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Health funds get NIS 200m. bailout

By JUDY SEGEL

The Knesset Finance Committee yesterday approved an advance payment of NIS 200 million to the health funds for paying their debts to government hospitals, and also granted a state loan of NIS 45 million to the private hospitals. The money headed off sanctions planned by hospital directors for an open-ended emergency schedule in their institutions.

Only last week, the committee rejected a Treasury request to allocate NIS 300 million to the health funds, which owe NIS 700 million to the public hospitals, on the grounds that members wanted the government to reach a comprehensive solution to the health system's financial problems.

But with hospitals run by voluntary organizations

(Hadassah, Shaare Zedek, Bikur Holim, Laniado, and Misgav Ladach) in severe financial crisis and apparently unable to pay salaries without an infusion of funds, the committee decided to take action. The hospitals will be required to repay the loan by the end of this year.

In addition, the government hospitals, whose staffers' wages are paid by the government, are seriously short of medications and medical equipment and owe large amounts of money to suppliers.

On Sunday, the health funds rejected Health Minister Yehoshua Matza's proposals for extra Treasury allocations on condition that they agree to tough efficiency measures. The health funds demanded that they get what the government owes them with no strings attached.

Gov't tries to delay implementing housing law

By LIAT COLLINS and DAVID HARRIS

The government is attempting to delay implementation of the Public Housing Law, passed last week against the government's wishes, until the year 2001.

The cabinet secretariat has sent a letter to all the ministers, asking them to support such a motion within the framework of the economic arrangements bill, which accompanies the state budget.

The letter says the 1999 budget does not include a budgetary allocation for the law and says it requires special consideration and preparation. The government estimates the cost of implementing the bill at NIS 10 billion.

This includes compensating the public housing companies for sell-

ing the homes at a discount, and finding new housing solutions for the needy once a large number of these homes are taken out of the public housing reserve.

Finance Minister Yaakov Neeman said yesterday that he can see no way to fund the law.

Prime Minister's Office Director-General Moshe Leon said last week that the only way to do so would be to increase taxes, a move immediately rejected by Neeman.

The law, which aims to encourage the sale of public housing stock, offers discounts of up to 85% to the current residents of as many as 100,000 properties.

It passed despite the government's opposition because some coalition MKs, including those of The Third Way, voted for it.

Third Way leader and Internal

Security Minister Avigdor Kahalani sent the prime minister a letter in response, saying he "vehemently opposes" postponing the implementation of the law.

He called the step "anti-democratic" and "a fatal blow to an entire public, for whom the law gave real hope after long years of suffering."

MK Ran Cohen (Meretz) who, together with Labor's Shevah Weiss, was the main sponsor of the Public Housing Law, reacted angrily to news of the proposed delay calling it, "a dastardly deed" and accusing the government of "taking away the hope of the poor while attacking democratically passed legislation."

He said the government had claimed six months ago that the law would cost NIS 4 billion, and was now inflating its cost to avoid implementing it.

Boy hopes to walk after rare surgery

By JUDY SEGEL

A 15-year-old boy born with short, deformed legs and able to walk only on his knees has undergone the first in a series of operations – the first to be performed in Israel and apparently the world – to lengthen his legs by 25 to 30 centimeters and straighten his feet. The surgery was performed Sunday at Bnai Zion Hospital in Haifa.

His tibia bones, which had not developed properly, had to be lengthened, and the soles of his feet – which faced upwards towards his knees – needed to be straightened so he could walk on them. After the first operation, which was successful, he will have to undergo four more, plus additional treatments over the next year. His doctors at Bnai Zion are optimistic that he will then be able to walk on his feet.

The surgery was performed by a team from the government hospital's orthopedics department, headed by Dr. David Mendes and Dr. Aharon Leiberson. The same team won fame in the past for causing new fingers to "grow" on a man who had lost them in an accident and for developing a new type of artificial knee joint that has already been implanted in 26 people.

The teenager moved from Russia to Haifa three months ago. Able to walk quickly on his knees, he lived most of his life in a Russian orphanage and remained there when his parents and two brothers came on aliyah seven years ago. This past summer, his father and mother flew to Russia to bring him here.

Leiberson, an expert in the Ilizarov technique developed in Russia for encouraging bone growth by gradually tightening screws attached to the bones, examined the boy and decided there were good chances of making him 25 to 30 centimeters taller by extending his legs and repairing the deformities. If he did not succeed in enabling the boy to walk, he told the parents before the first operation, at least he would be able to use a prosthesis.

Mother injured by wrong injection

By JUDY SEGEL

The Health Ministry last night announced it will file a complaint against two doctors and one nurse who gave a 29-year-old woman the wrong injection while undergoing childbirth.

The woman received an injection of potassium chloride instead of ordinary saline solution to dilute her epidural anes-

thesia during the birth at Hadera's Hillel Yaffe Hospital on Sunday.

The woman, whose newborn son is well and who has another child, lost sensation in her lower limbs after the injection, but this had cleared up completely by yesterday morning. However, she suddenly developed respiratory insufficiency because of the chemical and was rushed to

intensive care, where she was put under sedation suffering from edema of the lungs.

A hospital committee set up to investigate the case, headed by surgical department chief Dr. Ehud Sternberg, reported to the Health Ministry last night that the potassium compound was in a bottle that looked like a saline bottle, but should not have been on the delivery room tray.

Jaffa harbor plans on hold till after election

By LIAT COLLINS

The Knesset Interior and Environment Committee yesterday agreed to freeze procedures relating to the development of Jaffa harbor until January 1, well after the municipal elections. It also suggested creating a government-municipal body, that also would include other representatives of the public, to discuss the development and involve the Tel Aviv-Jaffa Municipality in the planning and preservation of the harbor.

Many of those objecting to the plans are local fishermen and members of the artist colony in the area, as well as conservationists. The government decided in 1993 to privatize the harbor area and ruled that an interministerial team would be created to prepare the tender for private entrepreneurs. This team however basically stopped working in 1994 and the development plans went ahead without it, led mainly by the Israel Lands Administration and Transport Ministry.

Committee chairman Micha Goldman (Labor) said the privatization plan would turn the quaint

harbor area into a neighborhood of skyscrapers.

"Building modern housing blocks in the Old City of Jaffa is like building a tower block in the Western Wall plaza," Goldman said.

Representatives of the fishermen, Uri Sharon and Saado Zenig, complained that the area is being deliberately neglected by the government to justify the privatization. They complained that although municipal rates are being raised, fewer services are being provided.

Doron Tzafrir, Tel Aviv-Jaffa

Municipal architect, told the committee the area should not be privatized without ensuring the fishermen's rights and that the harbor can continue to be a public asset. He said however that privatization would improve the site for the fishermen and prevent the current neglect.

Agriculture Ministry Director General Danny Kreichman said the neglect started after the 1993 decision to privatize the area and added that the conservation of the harbor and the expectation of profits from privatization contradict each other.

Police investigating HU for allegedly exterminating cats

By LIAT COLLINS

The Cat Welfare Society and the Let the Animals Live group have filed a joint police complaint against the Hebrew University following a complaint by a student that some 50 cats were collected and apparently killed at the Givat Ram campus in Jerusalem on Saturday.

The student said she saw a man with a cage catch the cats, which were later transferred to sealed bags in the back of a truck. The bags were stacked one on top of the other and the sounds of cats crying in distress could be clearly heard from many of them.

When the student asked what he was doing, the cat trapper replied: "I'm going to make shwarma."

At this point, a university securi-

ty guard came and tried to stop the student from investigating what was in the bags in the truck. When the student asked him for his name, telephone number and identity card number, the cat trapper asked: "What number do you want? A concentration camp number?" He then drove off.

The student got identifying details of the car and this was included in the police complaint.

The groups are concerned that the cats were taken away for extermination or for use in animal experiments.

"How can the country's leading university, which is proud of its education towards liberal and humane values, pay someone out of the students' tuition fees to exterminate cats when the rest of the mod-

ern world has better way to solve the 'problem'?" the Cat Welfare Society's Rivi Mayer asked.

Her organization encourages mass spaying and neutering campaigns as a means of natural population control.

University spokeswoman Eilat Mishor rejected the suggestion that there was "an extermination campaign."

"This is a baseless lie. The cats are collected and freed outside the campus area," she said.

Mishor said the cats were removed from the dormitory area after complaints were received from students about a large number of strays, presenting a health hazard. She said the removal of the stray cats is carried out several times a year by a professional animal catcher.

Vatican seeks wider talks on J'lem

By ELLI WOHLGELERHINTER

The "sacred character" of Jerusalem demands that all final negotiations over its status should not be limited to a political settlement between Israelis and Palestinians, according to Vatican Secretary of State Archbishop Jean-Louis Tauran.

The two sides "cannot overlook the fact that the city has aspects which go far beyond their legitimate national interests," Tauran said here yesterday at the opening of the Catholic Bishops Conference on Jerusalem.

"It is essential that the parties to the negotiations take fair and appropriate account of the sacred and universal character of the city. This requires that any possible solution should have the support of the three monotheistic religions, both at the local level and at the international level..."

"The Holy See believes in the importance of extending the representation at the negotiating table in order to be sure that no aspect of the problems is overlooked and to affirm that the whole international community is responsible for the uniqueness

and the sacredness of this incomparable city."

Israel has long maintained there is no need for international guarantees, because there is sufficient protection given to the rights of all properties of all religions in Jerusalem.

Mayor Ehud Olmert dismissed any suggestion that religious institutions take part in any political negotiations concerning the city's future.

"I draw a clear distinction between the political status of the city and the legitimate religious interests of the different denominations and religions with regard to the city of Jerusalem," Olmert said. "I don't think that churches should be involved in politics, and that they should have anything to do with political negotiations about the political status of the city. This is for politicians and for countries, and not for churches."

Tauran said the basic issue is one of preserving the identity of Jerusalem in its entirety, in every aspect, and that just assuring pilgrims be able to visit holy places without hindrance is not sufficient. "The identity of the city

includes a sacred character, which belongs not just to the individual sites or monuments, as if these could be separated from one another or isolated from the respective communities. The sacred character involves Jerusalem in its entirety, its holy places and its communities, with their schools, hospitals, cultural, social, and economic activities."

Tauran noted that, in the just-concluded Wye talks, "it is understandable that the difficulty and delicacy of the question of Jerusalem have meant that it has been left till last." Nevertheless, he said, peace and coexistence in Israel and the Middle East have no future unless an answer is found to the political question of Jerusalem.

"As far as the Holy See is concerned, however, the solution of a territorial dispute alone is not enough for Jerusalem, precisely because Jerusalem is an unparalleled reality: it is part of the patrimony of the whole world. And the whole world has shown that it is fully aware of this when, for example, through resolutions of the United Nations, it has sought to defend that patrimony."

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11 student strikers arrested at TAU

By ARYEH DEAN COHEN

Police and striking students continued their cat-and-mouse game on the nation's campuses yesterday, with 11 students arrested at Tel Aviv University as the student strike entered its fourth day.

A large, licensed student demonstration is planned outside the Treasury in Jerusalem today. Student and police representatives are also to appear before the Knesset Interior Committee, whose chairman, Micha Goldman, called an urgent session to discuss the situation.

Internal Security Minister Avigdor Kahalani also plans to meet with student leaders this morning to discuss their complaints of police violence and to establish guidelines for proper conduct during demonstrations. Kahalani said that while he supports the students' struggle, they

must protest in strict compliance with the law and must show respect for the police.

Yesterday's meeting between Moshe Leon, the director-general of the Prime Minister's Office, and student leaders failed to make much headway toward resolving the strike. National Union of Israeli Students chairman Lior Rothbart, emerging from the meeting, termed it "disappointing."

Leon heard the students' grievances, promised to raise the matter with the Finance and Education ministers, and asked the students to maintain order at their demonstrations, a spokesman for the Prime Minister's Office said.

Itim reported that Leon told the students the prime minister is aware of their problem and said he would update Netanyahu on the meeting.

Rothbart said the students complained to Leon about the police

actions against them, including what they said was the use of mounted police to force them off the sidewalks.

Finance Minister Yaakov Neeman yesterday again rejected the students' demands, saying they were trying to break an agreement they themselves signed instead of going to arbitration as required. He said the students' demands would cost NIS 800 million and instead they should be helped on an individual basis.

"There won't be a single student in the country whose economic and family situation does not allow him to study," he stressed. He said his door is open to the students, but they do not want to talk.

In response, Rothbart said: "The finance minister is cut off from what is happening. He is unaware of the students' difficulties and the seriousness of the situation."

Student leaders urged protesters to

sleep in front of Neeman's house last night.

Yesterday's demonstrations were significantly quieter than previously. Dan district police did not use clubs in clearing the streets of some 1,000 students at Tel Aviv University, as they had on Sunday; but border policemen arrested 11 TAU students after several hundred blocked Rehov Einstein and Rehov Brodetsky, adjoining the campus.

Police also issued 23 summonses to drivers who honked their horns in solidarity with the students, arresting at least two of them. Students handing out stickers to passing cars were also issued summonses for blocking traffic.

TAU Prof. Zohar Shavit, who has been actively supporting the students, accused the police of harassing her as she entered her car outside the campus yesterday. Shavit said that when she asked police why they were issuing summonses to drivers honking in support of the students, they threatened to arrest her.

Meretz leader Yossi Sarid demanded that Kahalani change police attitudes toward the strikers. Sarid noted that Kahalani had mounted police removed from confrontations with haredim on Jerusalem's Rehov Bar-Ilan.

At the Givat Ram campus of the Hebrew University in Jerusalem, about 600 students protested peacefully in front of a strong police and GSS presence.

Hadash MKs Ahmed Sa'ad and Tamar Gozansky told the students they will present a bill to the Knesset next week calling for zero tuition, among other things. The bill is signed by 32 MKs.

"Other countries have free tuition, why not our country?" Sa'ad said to huge cheers.

Jerusalem mayoral candidate and Hebrew University professor Shimon Shevret told the students to continue their fight.

"I have not seen abuses by police like I saw yesterday on TV," he said. "Your strike is real, justified, and right and I want you to continue with more students. You deserve respect for asking them to reduce tuition by only 50 percent."

Some 150 students demonstrated outside Haifa University at the Danya interchange, but stayed on the sides of the road holding signs. Dozens of Oranim College students demonstrated at the Yagur junction, while Reichman College students demonstrated at the Hasura junction.

Shi Davidi contributed to this report.

NEWS

in brief

Teachers to strike for one hour today

Teachers throughout the country who are members of the Histadrut Teachers Union will stop teaching for one hour to protest a parent's attacking the principal of a Safed high school on Friday. The principal had been trying to verbally discipline the man's child when he was attacked.

A union spokeswoman said that the teachers would hold "meetings" during one hour of class time, to be determined by each school individually, to protest the incident. Aryeh Dean Cohen

El Al workers oppose new cargo airline

Some 1,000 El Al workers attended an emergency meeting yesterday to protest Transport Ministry plans to authorize the creation of an airline that would compete with El Al in shipping freight. The workers expressed concern that such a move would harm El Al and lead it to fire employees. The workers also are concerned that the new company would not be able to earn a profit just by shipping cargo and would therefore pressure the ministry for authorization to transport passengers. Itim

Arabs 'attacking' local Internet sites

Dozens of Israeli Internet sites have been "attacked" over the past month by an Arab group, apparently of Lebanese origin, working from the US, according to a Petah Tikva company that specializes in computer security. Among the victims were a number of commercial firms, said Nissim Barel, managing director of Comsec, which said it identified the source of the trouble, a site at www.beirut.leb.net. Barel said the fact that foreigners who identify with a hostile country are successfully interfering with Israeli sites requires serious handling of the problem. Judy Siegel

SPNI launches 'Vote Green' campaign

The Society for the Protection of Nature in Israel yesterday launched a nationwide "Vote Green" campaign in the run-up to the municipal elections. Scores of activists distributed leaflets at major road junctions from Ayelet Hashahar in the North to Yeroham in the South, urging the public to vote for pro-environment candidates. A motorcade was staged in Haifa yesterday afternoon to protest the "destruction of Haifa's public beaches" by the construction of holiday homes and hotels and to protest the proposed multi-million dollar marina project. David Rudge

Gov't intervenes in Air Canada, El Al dispute

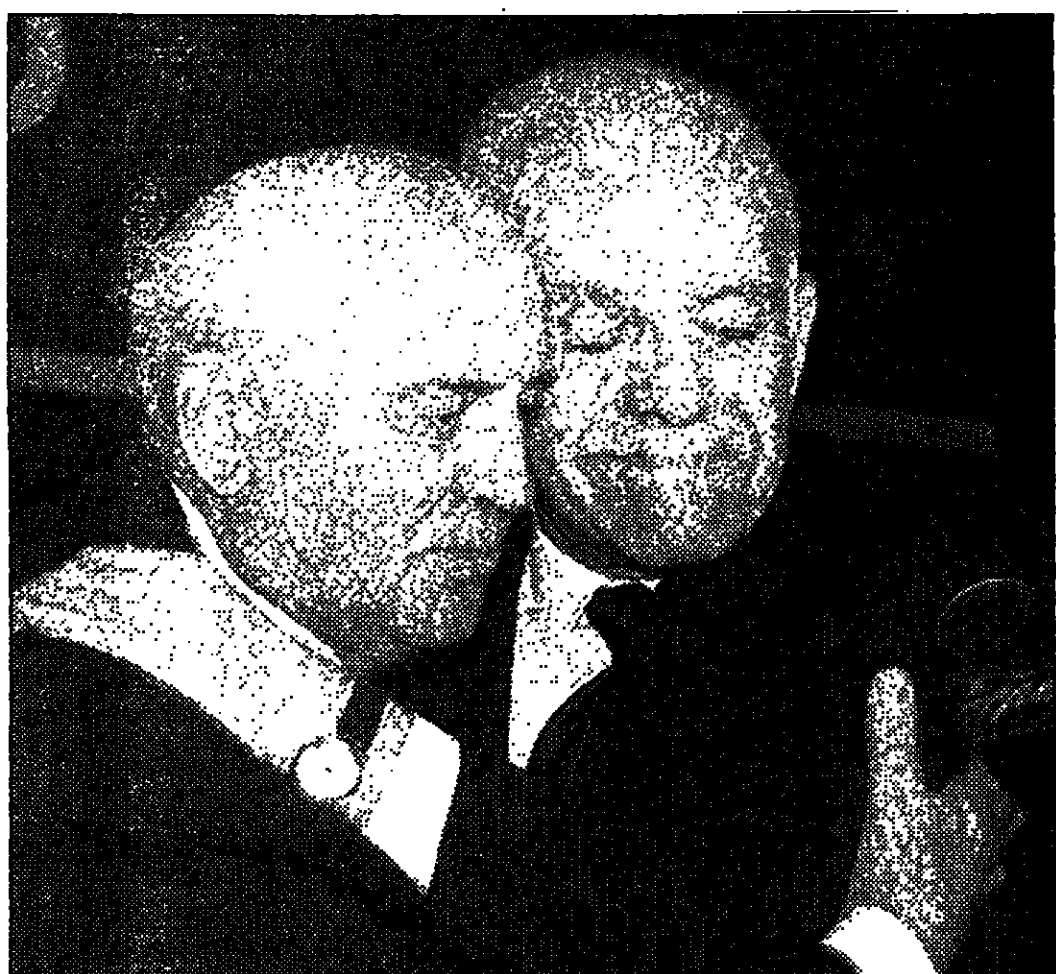
By DANNA HARMAN

The battle between Air Canada and El Al is heating up, with the Israeli and Canadian governments becoming involved in what started out as an argument over the winter flight schedule.

The Foreign Ministry this week sent the Canadian government a letter asking that the aviation agreement between the two countries be terminated. This was done after the Transport Ministry, at El Al's request, complained that Air Canada had added two flights to its winter schedule without getting the proper permission to do so and as such was competing unfairly with the national airline.

Air Canada, in turn, insists that in the original 1985 aviation agreement it was given the right to determine the frequencies of its flights and that it has enough passengers to fill the extra flights. Air Canada has daily flights to Israel from Montreal and Toronto during the summer, and three flights weekly - which it wants to increase to five - during the winter.

Canadian Ambassador David Berger called the Foreign Ministry's letter "mystifying." "This is all very disconcerting, but I can't imagine it will lead to a diplomatic crisis between the two friendly countries - that would be ridiculous," Air Canada general manager Ruth Bentzur added.



A decade of freedom

Former prime minister Yitzhak Shamir (right) and former Soviet president Mikhail Gorbachev embrace at an Israel Bonds dinner in New York on Sunday night. Gorbachev was presented with the Gates of Freedom Award - created especially for him - for his 1988 lifting of restrictions that allowed hundreds of thousands of Jews to leave the former Soviet Union. Jewish leaders, Shamir said, had long appealed to Soviet officials to "Let my people go." [Gorbachev] heard. And more, he listened. (AP)

A-G put on notice regarding Raviv

By ELLI WOHLGELERINTER

Attorney-General Elyakim Rubinstein has been notified by attorney Shmuel Casper that unless he declares his plans regarding former General Security Service agent Avishai Raviv within two or three weeks, then Casper would demand that the case be brought back to the High Court of Justice. The Jerusalem Post has learned.

Casper said that he, working in conjunction with MK Michael Eitan (Likud), sent Rubinstein a

fax last week "demanding that the attorney-general finally give a decision either way - 'I'm going to prosecute' or 'I'm not going to prosecute Avishai Raviv.'"

"The time has come, enough procrastinating. The public deserves an answer," Casper added.


Rubinstein's office stated in February that a decision would be made in two or three weeks - following a petition to the High Court by Casper on behalf of right-wing activist Ronn Torossian - regarding Raviv's perjury in testimony in the trial of prime minister Yitzhak

Rabin's assassin, Yigal Amir.

"The court postponed a decision on that petition because the attorney-general declared that he would make a decision within a few months," Casper said. "I said this is just a delay tactic. 'How many months?' He said, 'A few months.' So the court wrote, 'We have noted that the decision will be brought before us within a few months.' That was almost two months ago."

Rubinstein's office acknowledged receiving the fax and said it would respond to it shortly.

Ministry of Education, Culture and Sport
Information Center



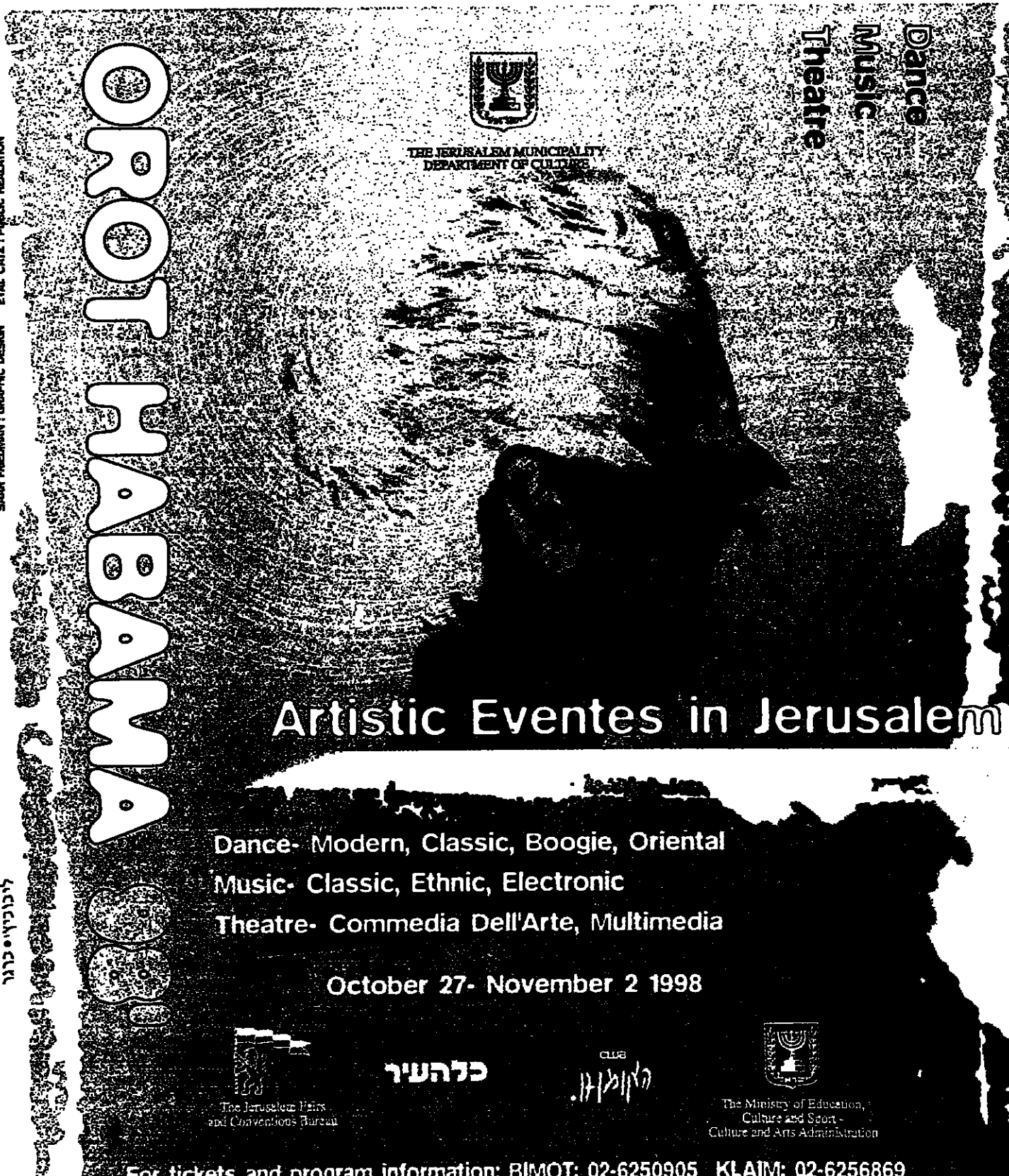
State Memorial Ceremony for the late
YITZHAK RABIN י"ל
on the third anniversary of his assassination
will be held on Sunday, November 1, 12 Heshvan,
at 3 p.m. at the Section for the Nation's Leaders
at Mount Herzl, Jerusalem

In the presence of:
President Ezer Weizman
Prime Minister Binyamin Netanyahu
Knesset Speaker Dan Tichon

- Mount Herzl (the civilian and military cemeteries) will be closed on that day from 6 a.m. to 5 p.m.
- Entry to the ceremony only with invitations. A limited number of invitations are available from the Jerusalem office of the Information Center, 14 Rehov Hillel, Jerusalem. Tel. 02-624-2248.
- Invitees are requested not to bring weapons.
- The ceremony will be broadcast live on radio and television.

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Euro musings

At the end of the Wye summit, Bibi Netanyahu flew home, Yasser Arafat flew to Vienna to star in the summit of European leaders in Klagenfurt. There is no doubt who is the wiser in judging the importance of Europe to their national interests.

It is perhaps expecting too much of a surly government that can scarcely be civil to Israel's best friend in the White House to charm the increasingly powerful 15-nation EU into more serious dialog. But the state will have to eventually, so why leave Arafat to make the running? Israel has one thing Arafat does not have - serious economic clout. This is the real language of the multi-lingual EU, and Israel has almost totally neglected using it as a bargaining chip to change some political attitudes.

Instead it adopts the petulant attitude that Europe is "pro-PLO" - anachronistic Cold War rhetoric still in use - and therefore a lost cause, except for that silly song contest.

Brain dead

A European diplomat told me recently he believed the EU had swung too far to the Arab side before the peace process, but he, at least, has been actively urging his own foreign ministry to swing the pendulum back.

"The EU is very receptive and Israel should just make an effort in selling its case," he said. "But it won't - it seems the foreign ministry is brain dead and only the Central Bank is working seriously with Brussels, because of the euro."

Before the current Wyes and wherefore, that perception-altering "peace process" began in Madrid and was defined as Oslo. But to the average Israeli in the street, Europe is a loose collection of far-flung shopping or vacation centers. Israelis either know little or care less of the European Union's political existence, or they dismiss it as another "Oom-shunoom" (hostile United Nations).

Not for long. In just a few months the nation's exchange rate will be set against a basket containing no francs, or deutschmarks, but euros. The strength or weakness of the euro is going to make Israelis sit up and take notice of the euro and the policies of its European Union, just as it takes notice of the dollar and the Americans.

Israelis may tune into Europe for at least one reason - because the Americans are doing so, and if Americans think something is important... well, it must be.

Wim who?

US John and Jane Does are also often chided for their domestic insularity and woeful ignorance of the rest of the world. Europe ("Yurp") traditionally was a tedious trip an American did just to boast about it back home.

No longer. In business, the all-

American religion, globalization, is rapidly becoming Europeanization now that the tigers are no longer burning bright, but have slunk into the forests of the night.

The importance of the European Union may be gauged by the number of *Time* or *Newsweek* covers it has been getting as an entity - I haven't counted, let's just settle for "a lot," including this week's *Time*.

Column One



Thomas O'Dwyer

When the euro begins its integration into the world economy in January, the chairman of the European Central Bank will join the chairman of the Federal Reserve as a financial guru whose mere whisper of the words "interest rate" will strike fear or joy into millions.

Everyone knows Alan Greenspan, soon they will know Wim Duisenberg.

Politically, and in case nobody has noticed, Europe has steadily been taken over by those once regarded transatlantically as "pinkos," but the world is not collapsing. Well, maybe it is, but not because of Europe's 13 center-left governments out of 15, who seem to be doing as well in popularity as their countries are doing economically. Nobody is sending in any troops because a former-Communist became prime minister of Italy last week. Scarcely anyone noticed - but maybe that's because scarcely anyone notices Italian governments anyway, least of all Italians.

Inhuman sacrifice

At the Klagenfurt summit, there was much back-slapping bonhomie and mirth between Tony Blair, Gerhard Schroeder, Lionel Jospin, Massimo D'Alema (Italy) and other Third Wayers. One might conclude they were on the way to some ceremony where Margaret Thatcher and Fidel Castro would be sacrificed to appease the angry gods of vulture capitalism and red socialism.

The garb of the old gods has been stolen by the high priests of the New Center, who are wearing it mix-and-match. The diffuse and fuzzily imagined "European Union" is no longer a misty mirage on a distant Rhineland hill. Suddenly it looks like a mountain fortress in a swampy world.

European currencies have jumped 10 percent against the dollar in three months - yes, even the lira. If there is alarm about any aspect of the coming euro, it is that it might be too strong, making European exports a bit expensive out in the swamplands.

Of course, there is another thought. Maybe the EU suddenly looks bright only because all around it (except the US) is turning dark.

"It's a funny old world," said Thatcher the day her own party fired her. Indeed, and it is in the nature of wheels and globes to turn - dark, light, dark....

A murdered doctor's eulogy

'They are trying to change the law through terrorism,' said a friend of Dr. Barnett Slepian, the first murder victim in a series of attacks on abortion providers in New York and Canada



Over 100 friends and supporters gathered outside the Amherst Clinic of Dr. Slepian for a candlelight vigil last week.

By MARK FRETZ

AMHERST, N.Y. — The friends and coworkers of Dr. Barnett Slepian would like the rest of the world to know something about the man.

He wore jeans to the office. He was going on vacation next month. He raised money for the Buffalo zoo. He was a patron of the arts.

He had a dry sense of humor, lots of friends and a wife and four sons. He got rid of his boat not because he was a lousy skipper - though he was - but because he wanted to spend more time watching his boys play sports.

And he delivered babies, two of them to Jill Polet, who flew in from Holland to be with his family after she heard he died because he did something - perform abortions - that she said was only a small part of what his obstetrician/gynecologist was.

"He was a wonderful physician," said Polet, who also once worked as a counselor in his clinic. "I trusted him with my life. I trusted him with the life of my children."

A gunman crept up to the wood-paneled back yard of Slepian's stately Tudor home Friday night and fired a single bullet through a window. It entered the 52-year-old doctor's back as he sat in his kitchen with his family, tore through his aorta and narrowly missed his eldest boy, a junior varsity quarterback, when the round exited Slepian's body.

He was the fifth abortion provider shot by a sniper in upstate New York and Canada since 1994 - and the first of them to die.

All of the attacks occurred within a few weeks of November 11, which is Veterans Day in the US and Remembrance Day in Canada.

A task force of investigators from the two nations was gathered in this upscale suburb of Buffalo on Sunday to assist Amherst police in trying to solve what may be the latest and deadliest of these attacks.

Winnipeg inspector Keith McCaskill, a member of the task force, said he wrote a news release last week warning doctors and police agencies in both countries to be prepared for another such attack.

"We're still a little shocked that it did happen," he said.

The four earlier incidents were carried out in secluded areas by somebody armed with a high-powered rifle, and McCaskill said authorities believe the culprit or culprits were the same in each case, even though the shootings ranged from Vancouver to New York.

He said he didn't have enough evidence yet about the Amherst case, but "the similarities are striking."

He also said the authorities were aware of an Internet site that appears to advocate violence

against abortion proponents - and which includes Slepian's name, now dramatically crossed out, on a list of purported abortion providers.

But he wouldn't say whether authorities believe the people behind the Web site have inside knowledge of the shootings.

FOR Slepian, who his lawyer says used to wear a bulletproof vest until two or three years ago, the killing was the end of his role in a struggle taking place in many American cities, in which anti-abortion advocates attempt to publicly identify doctors willing to provide abortions.

Even the day after he died, anti-abortion protesters who had staked out his home and offices for more than a decade were demonstrating at a clinic where he worked, just as they had done every Saturday and just as they planned to do in the future.

In 1988, demonstrators serenaded Slepian outside his home with chants of "murderer" while he celebrated Hanukkah with his family.

He came outside and smashed the window of a van owned by one of the protesters with a baseball bat. He was arrested on an assault charge and led away in handcuffs. He ultimately pleaded guilty to disorderly conduct and paid \$400 for damages.

Friends said Slepian's resolve was surprising for somebody who, they said, was mild-mannered and

unassuming. "He said to me, 'I will not be intimidated,'" said lawyer Harvey Rogers, who represented Slepian in the case.

After the incident, the town passed an ordinance banning picketing of private homes, but protesters countered by staging rallies covering entire blocks.

Polet, who moved to the Netherlands several years ago, said: "We would climb over the protesters to get to the door. Every week we would break through the barricades and have people yelling at us as we walked in."

Bob Behn, the head of the anti-abortion Operation Rescue group in Buffalo, called the killing "a terrible thing" and said the killer should be brought to justice, but he also equated the murder with abortion.

"I think it was a pro-choice person who took his life. Somebody decided he was expendable and took him out."

A YEAR ago, Behn said he and other protesters were gathered in a parking lot and preparing to make a "house call" - a protest at the home of somebody who was believed to perform abortions - when Slepian came up to the group and offered to meet with Behn. The two arranged to have breakfast.

"We talked for a couple hours," Behn said. "He was not mean or nasty. If he wasn't an abortionist,

we probably could have gotten along."

The killing brought an outpouring of comments from friends and patients who said Slepian was more interested in delivering babies than aborting pregnancies.

"The man was the most compassionate doctor I've ever met," said Eva Rubenstein, an Amherst lawyer and registered nurse who said Slepian delivered her son three years ago.

"He took care of all types of women, women who had diabetes and cancer," said Dr. Marc Kozinn, a cardiologist and friend of Slepian who also was one of the attending physicians when the mortally wounded doctor was brought to the hospital.

"It's not that he enjoyed [performing abortions]. He felt very strongly that it was a woman's right. He said 'If I don't provide safe, qualified medical care, who will?' He didn't want to go back to the old days, when women were forced to go to back-alley butchers."

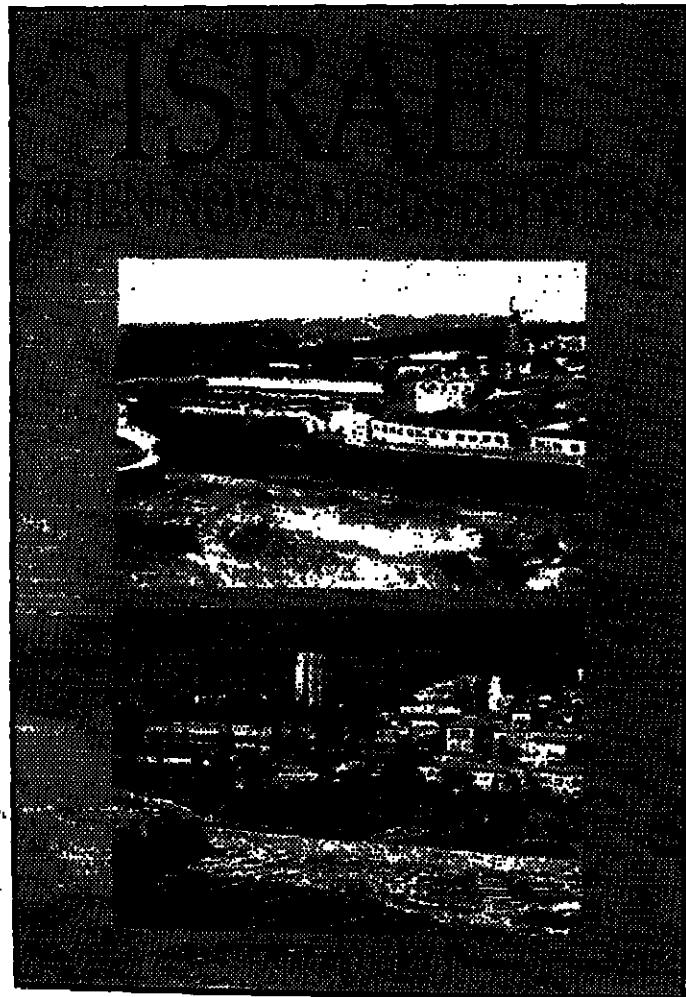
Most shocking to most people was the way he died. "They are trying to change the law through terrorism," said Kozinn, who was among a group of couples who planned to vacation with Slepian and his wife in Las Vegas in November.

"They feel if they can kill a wonderful man like Bart Slepian, they can stop other people."

(Los Angeles Times)

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סדרה של הרצל

Charles-Diana book causes furor

LONDON (Reuters) — Buckingham Palace yesterday sought to quell a furor over a book that depicts Princess Diana as malicious and which Prince Charles is said to have described as a "nightmare."

The palace appealed for Princess Diana to be left in peace, reiterating several attempts in the year since her death to persuade the media to put the interests of her teenage sons before public relish for more royal tittle-tattle.

"It is worth reminding people that Princes William and Harry have expressed the hope that Princess Diana and her memory be finally allowed to rest in peace," said a palace spokesman.

The story of fairytale marriage that went sour was back in force on the front pages of British newspapers because of claims in a new biography that Diana made telephone death threats to Charles's lover Camilla Parker Bowles.

The book, which claimed to have been written with the help of friends of Britain's future king, also claimed that Diana was the first to have an affair in the ill-fated marriage.

It said she conducted a liaison with her personal detective, Harry Mannakee, long before Charles strayed back to Camilla, the woman he first fell in love with more than 25 years ago. Mannakee was killed in a motorcycle accident in 1987.

Charles and Camilla, whose discreet relationship has become

slowly more public in the past six months, issued an unprecedented joint statement Sunday saying that neither of them had been involved in the book.

Charles said he recognized the interest in his marriage but added he was strongly of the view that "private and personal details surrounding it should be left private and undisturbed."

Over the weekend the prince was reported to have told aides fielding queries about the book: "I thought this nightmare had come to an end. Why on earth do they have to rake it up all over again?"

The book, by Penny Junor, was the first to paint Diana in an unflattering light. In contrast to the almost saintly image that has sprung up since her death in August last year, it depicted a woman gnawed up by jealousy and paranoia who made anonymous late-night telephone calls to Parker Bowles, saying that a hit man was in her garden.

One newspaper described the contents as "vicious outpourings of bile against Diana."

Commentator Simon Heffer, writing in the *Daily Mail*, said it was time for a truce in the welter of stories and speculation about the marriage, which ended in divorce in August 1996.

But Heffer conceded, "It is highly unlikely that this book will be the end of the story. There will always be new witnesses who wish to speak, new angles on the story to be explored."



Outgoing German Chancellor Helmut Kohl sits in the last row of seats in the German Parliament yesterday, his last day as chancellor after 16 years. (AP)

Kohl loses power but gets to share the house

BONN (Reuters) — Helmut Kohl was stepping down as German chancellor yesterday as the newly elected parliament convened — but he had the consolation of keeping one of his perks, his residence.

Kohl has to clear his desk at the chancellery offices but will be allowed to live in the chancellor's home up the road from parliament with his successor, Gerhard Schröder, until the government moves to Berlin.

Schröder will use the front entrance and the representative wing of the house on the Rhine. Kohl will pay the government \$1,577 rent each month and use the rear entrance and the residence quarters in the back.

The only place the two men might meet is in the kitchen.

The new parliament was holding its inaugural session yesterday and is expected to elect Schröder as the nation's seventh post-war chancellor today. Schröder wants to move the chancellery to Berlin next year.

Kohl, who has led Germany for 16 years, was awarded the Grand Cross by President Roman

Herzog. He was the first chancellor since Konrad Adenauer to receive the honor, a recognition of having led East and West Germany together in 1990 and strengthened the European Union.

"German unification was always just a slogan for some, but I always believed in the vision," said Kohl yesterday.

Schröder's Social Democrats and their coalition partners, the Greens, have a 21-seat majority in the 669-seat parliament, and he must get an absolute majority of 335 votes to be elected. "Even if the majority seems to be clear, there is always a bit of tension," Schröder said.

The SPD and Greens approved a coalition pact over the weekend and cleared the way for Germany's first left-of-center government since 1982.

Once Schröder is voted into office today, his new ministers will be sworn in by Herzog. His first cabinet meeting takes place at 8 p.m. the same day.

Kohl, 68, will remain in parliament as an ordinary deputy for his Christian Democratic Union (CDU).

WORLD

in brief

Doctors order Yeltsin to cancel Austria trip

MOSCOW (Reuters) — Doctors ordered Russian President Boris Yeltsin to cancel a planned trip to Austria at the last minute yesterday and take a holiday to recover from exhaustion. The Kremlin said Prime Minister Yevgeny Primakov, at 68 a year older than Yeltsin, would travel to Vienna today in the president's place for a summit with the European Union.

The decision came exactly two weeks after Yeltsin was forced to cut short his first foreign trip in half a year after almost collapsing in public. That visit, to Central Asia, was supposed to show him in command and to silence calls for his resignation.

Pinochet's lawyers say his arrest illegal

LONDON (AP) — Augusto Pinochet's lawyers argued yesterday that the former Chilean dictator's arrest on a Spanish warrant was illegal, because ex-rulers have immunity from prosecution for acts committed in an "official capacity."

One lawyer, Clive Nicholls, also said the warrants issued by a Spanish magistrate were illegal, because Pinochet is not Spanish. He is wanted on charges of genocide, torture, and terrorism during his 17-year rule, which ended in 1990.

A Chilean military aircraft with medical personnel and equipment was on standby northwest of London to take the 82-year-old former dictator home if he wins the case, expected to end today.

Countdown begins for Glenn flight

CAPE CANAVERAL, Fla. (AP) — After months of anticipation, the countdown began yesterday for John Glenn's return to orbit aboard space shuttle *Discovery*. NASA's countdown clocks began ticking at 8 a.m. toward a Thursday afternoon blastoff.

The 77-year-old senator, who was the first American to orbit the Earth back in 1962, awoke some 900 miles away in Houston. He and the six other *Discovery* astronauts were scheduled to fly to the Kennedy Space Center yesterday. NASA meteorologists kept a close watch on Hurricane Mitch out in the Caribbean. Shuttle weather officer Ed Prisela put the odds of favorable launch weather at 60 percent.

Youth violence causes France transit strikes

PARIS (AP) — Transit workers in Paris and the northern city of Caen yesterday joined strikes mounted in several cities to protest youth attacks plaguing public transportation across France, officials said. The latest walkouts affected transit lines in Paris, Marseille, Lille, Caen, and Chambéry, they said. Service on the Paris A line of the Regional Express, serving suburbs to the west and east, was severely curtailed after a train driver was injured Sunday in the financial district of La Defense. A passenger angry that he took the wrong train hurled a fire extinguisher through the train's windshield, causing the driver to be hospitalized.

MOMA says good-bye to four classic works

NEW YORK (AP) — Two works by Vincent van Gogh and two by Georges Seurat were moved from the Museum of Modern Art to other institutions this month because the woman who willed them to MOMA a half-century ago figured that by 1998, they'd be too old for the place. The switch fulfills a stipulation in MOMA founder Abby Aldrich Rockefeller's will. Rockefeller, who died in 1948, said they should go to rival institutions in 50 years, when in her estimation they would no longer be considered modern works. "They're irreplaceable," said MOMA's director.

Peru, Ecuador sign treaty

BRASILIA, Brazil (AP) — Peru and Ecuador signed a peace treaty here yesterday, ending a half-century dispute over a slice of Amazon jungle the neighboring countries fought three wars to control. The Foreign Ministers signed the accord.

The US, Brazil, Argentina and Chile brokered the treaty, which demarcates the border in a 48-mile section of the Andean foothills. Peru and Ecuador both claimed the area, which was left undefined in the Rio de Janeiro Protocol that set territorial limits after a 1941 border war.

The peace treaty draws the border along the heights of the Cordillera del Condor mountain range, as Peru wanted, but it grants a hill within Peruvian territory to Ecuador's government.

New documents: Jones wanted Secret Service to turn over evidence

LITTLE ROCK, Ark. (AP) — Paula Jones' lawyers unsuccessfully sought to compel the Secret Service to turn over evidence while President Bill Clinton's attorney objected to some of prosecutors' early efforts to obtain materials from the sexual harassment case, documents unsealed yesterday show.

The president pledged in late January to cooperate fully with Independent Counsel Kenneth Starr's investigation of his and Monica Lewinsky's testimony in the Jones case.

But days later his attorney,

Robert Bennett, objected to providing the prosecutor a copy of Clinton's videotaped testimony in the Jones case on the grounds that Starr "cannot be trusted" to keep the tape secret, the new documents show.

"The abuse of the grand jury process has been secret. A similar leak of the videotaped deposition of the president would severely impede this court's ability to seat a fair and impartial jury," Bennett said.

He contended Starr already had the deposition's text and didn't need the tape.

Bennett waged additional efforts to fight document requests from Starr. In a February 6 closed-door hearing, the Clinton lawyer said he "is not comfortable with handing over sealed documents" in the court record and planned to file a motion to quash Starr's subpoena for them, according to minutes of the hearing.

But US District Judge Susan Webber Wright, who presided in the case, told the lawyer that the "documents are the property of the court" and she "intends to comply with the subpoena," the minutes said.

KILLINGS

Continued from Page 1

The Council of Jewish Communities in Judea, Samaria and Gaza issued a statement condemning Zalmout's murder. President Ezer Weizman condemned the murder and told reporters: "It is not a good start for the accord signed at Wye, but shows how necessary such an agreement is in order to pre-

vent such incidents in the future." "The ink used to sign the agreement is barely dry and already Jewish blood is spilled," declared Kiryat Arba Mayor Tzvi Katzover, who arrived at the scene shortly after the attack. He knew Vargas and his wife Tali, who is pregnant with a second child.

In protest against the killing in Kiryat Arba, some 350 demonstrators took to the street last night outside the prime minister's residence

in Jerusalem, where 21 youths were arrested, police said. Protesters chanted slogans more familiarly heard at left-wing demonstrations: "Bibi's a traitor," "Bibi is a failure," "Bibi go home," and "This is terror, not peace." One protester wore a yellow shirt with a picture of Rabbi Meir Kahane that read: "We are all Kahane."

Steve Rodan, Elli Wohlgelemer, and Danna Harman contributed to this report.

ANALYSIS

Continued from Page 1

The difference, therefore, between the foreign and local investors involved in the shekel's plunge is that the former misinterpreted far-flung markets, while the latter misread their home turf.

Behind the Israeli business sector's assessment that shekel rates would remain high for years, lurked an assumption that local inflation would never be brought down to Western levels.

But inflation did sink as low as 4 percent, naturally resulting in lower interest rates, which in turn exposed the business sector — particularly those who took dollar loans despite lacking foreign currency revenues — to the ramifications of its delinquent borrowing habits.

Now, having been reminded that what goes up must come down, the business sector will have probably learned its lesson, which is that our inflation is as beatable as anyone else's, and that the Bank of Israel's commitment is neither to higher nor to lower rates, but to price stability.

Ironically, the ones who understood all this much better, and sooner, were millions of wage earners and small-business owners who, despite being financial sim-

pletons, were sufficiently savvy to overcome the momentary temptation to abandon shekel savings and stampede in the dollar's direction. Never before has Israel's currency received such a compelling, and effective, vote of confidence.

Now, armed with the additional two percentage points that await its shekel deposits, the middle class can feel vindicated in its two latent assumptions: namely that long-term savings should not be dumped in the wake of short-term currency fluctuations, and that should the shekel's stability be threatened the central bank will be there to defend the public's purchasing power.

All this gives Israeli households a kind of leverage they have never had. While there is truth to the dictum that when the shekel depreciates the consumer price index rises, Israeli buyers are already teaching a host of sellers that life can be less mechanical than it was back in the times of hyperinflation.

In the housing market it is already evident that its time-honored dollar indexation is losing steam; despite the dollar's recent appreciation, prices are failing to rise accordingly. In other words, the public is increasingly talking in shekels, not only technically, but also economically, by calculating in shekels rather than dollars the maximum price it is prepared

to spend on durable goods. In such an atmosphere, prices much more adequately reflect real demand, rather than accounting acrobatics. And when the effect of yesterday's rate hike sinks in, this phenomenon — shekelization — stands to gather even greater momentum.

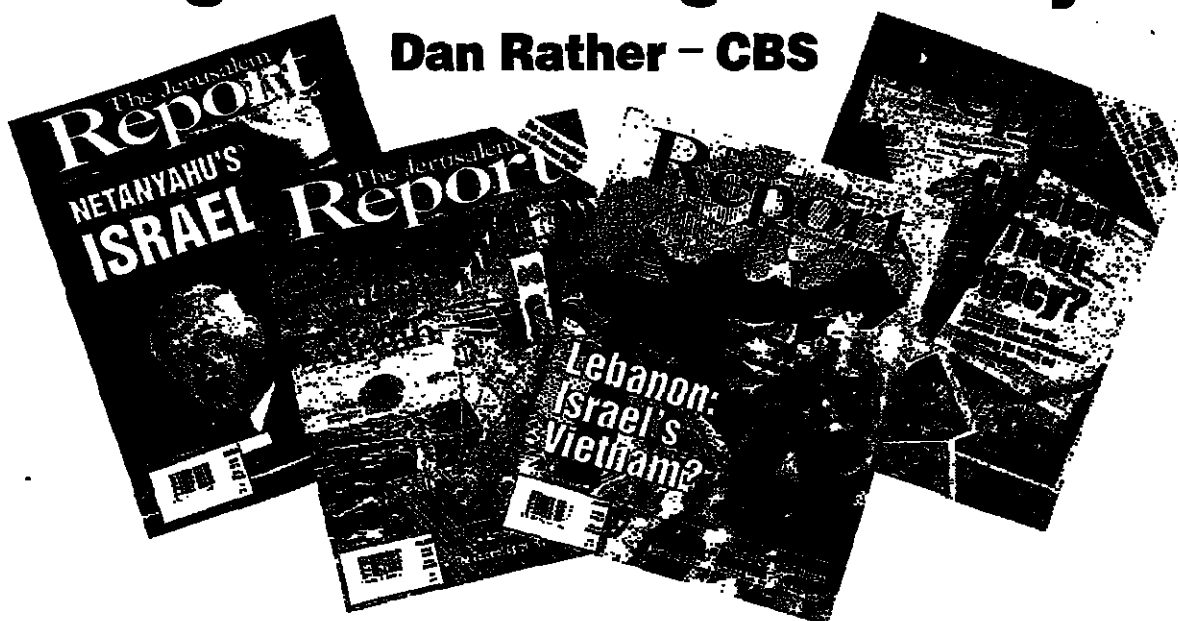
Meanwhile, as the shekel and the middle class behind it have clearly matured, and as the business sector undergoes a painful formative experience from which it, too, will emerge more balanced in its attitude toward the shekel, the politicians lag behind. When populists like Science Minister Silvan Shalom lament yesterday's rate hike, they not only seem ignorant of all the basic economics discussed here, but they are also displaying a fundamental misunderstanding of the public's most basic economic concerns.

The populists' quest for a weaker currency — based on the long-refuted assumption that inflation accelerates growth — has now been shunned by the very public they purport to represent. By clinging to its hard-earned shekels even in these turbulent weeks, and in abandoning the housing market's decades-old dollar denominations, Israelis are saying they want a shekel which is as predictable, dependable, and respectable as the US dollar, the Swiss franc, or the British pound. Is that really too much to ask?

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China's metamorphosis from Paul Bunyan to Johnny Appleseed

By MATT POTTINGER

Sucking in a chestful of mountain forest air in China's northeastern Heilongjiang province of Tieli, legendary lumberjack Ma Yongshun cries: "Timber!" But the hollering is just for old times' sake, since 85-year-old Ma is better known these days for planting trees than for chopping them down.

Ma, modern China's first and oldest living model worker, has knocked down a record 36,500 trees in his lifetime.

But in a patriotic change of heart halfway through his career, he began planting trees too, raising nearly as many as he chopped down.

His image as legendary lumberjack Paul Bunyan turned tree planter akin to America's Johnny Appleseed is particularly relevant now that Beijing is repenting for environmental sins it admits helped cause the nation's worst floods in 44 years.

Over the past five decades, China's logging industry has hacked and buzzed the nation's ancient forests to what experts say is the brink of extinction.

But if things work out the way the government has planned, the

crackle and squeak of a falling tree will be but a memory here and in other old-growth forests across China.

The wake-up call for action came this summer in the form of floods that killed more than 3,650 people and left tens of millions of farmers homeless.

Rain water that would have been soaked up by thirsty tree roots has instead coursed down stripped hillsides, annually washing millions of tons of soil and debris into choking rivers.

The central government, overcoming its normal sensitivity to public criticism, has admitted environmental policy blunders and taken steps to rectify them.

Beijing has now placed a moratorium on cutting down trees in old-growth forests in central and southern China, and plans to phase out logging in the north and northeast.

"In Yunnan and Sichuan provinces the saws have already been locked up," said Han Liansheng, deputy head of Heilongjiang Forest Industry Group, the province's largest lumber enterprise.

"In the northeast and Inner Mongolia, it will be more gradual. By 2000 our lumber production

will be down 40 percent from 1996 levels," he said. "Consequently, the cuts will carry unavoidable costs to people's standard of living."

One in every three Chinese loggers, or one million people, will be laid off, Han said.

NERVOUS at the prospect of a million former axe-swingers roaming around jobless, the government is striving to find new work for them. Some of the ex-loggers have been hired as part-time tree planters.

To enhance the tree-hugging spirit, the Communist Party has dunned off Ma Yongshun's credentials as worker-hero and patron saint of the forest.

High-level party officials, including Premier Zhu Rongji, have made conspicuous visits to Tieli and exhorted the public to "study Ma Yongshun."

Even at his advanced age, "Old Ma," as he is locally known, is chiseled and resolute - a living sculpture of socialist realist art.

Tramping through a forest near his home that was named for him, he tenderly rubs the bark on trees and discusses how he came to care for the forests.

"In 1959, during the state's 10th

anniversary celebration, Premier Zhou Enlai approached me and told me that I should not only log but plant trees to keep the mountains green," he said, referring to China's beloved late premier. "I remembered his words."

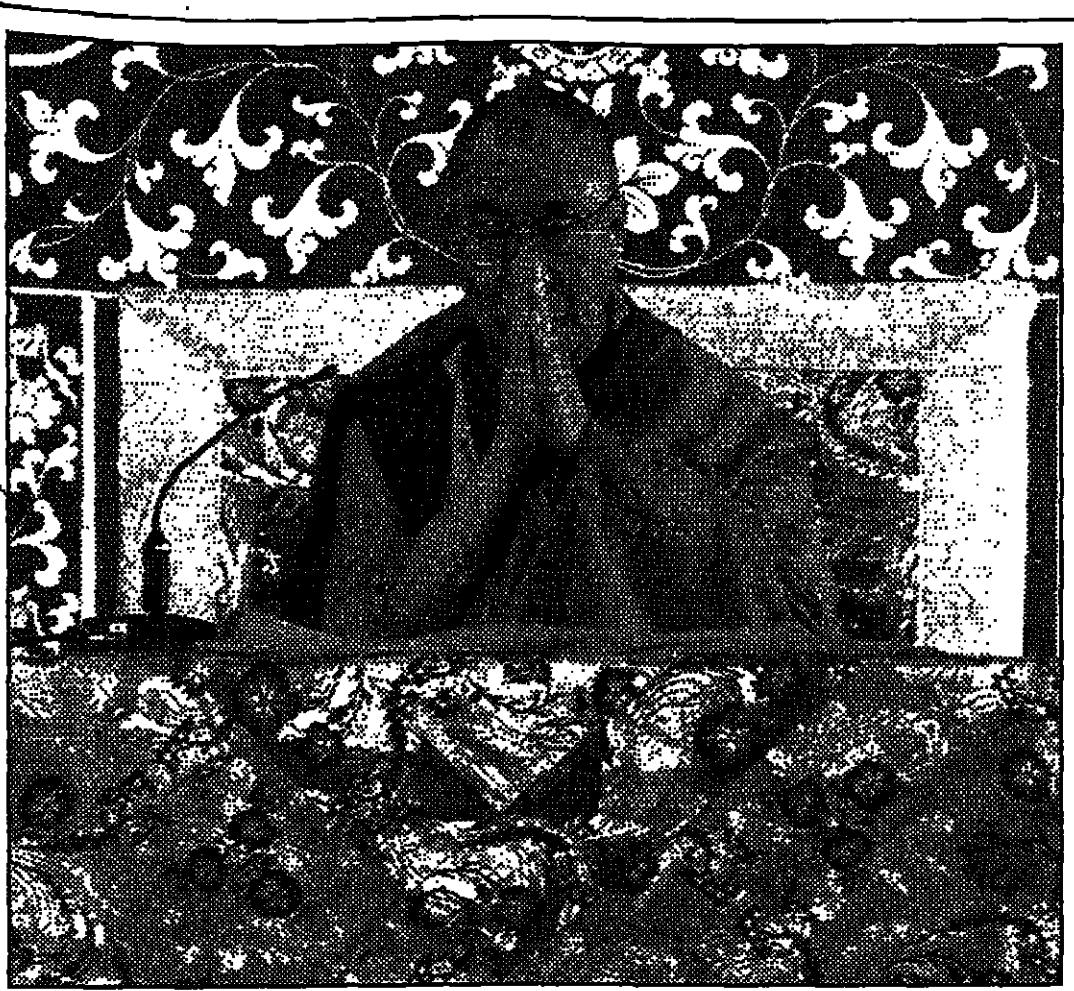
Since the encounter, memorialized in a photograph in his room, Ma said he has planted more than 35,000 trees, continuing even after his retirement from lumberjacking in 1982.

"I reckon I still owe another 1,000 trees before I die," he said.

The future of other ex-loggers may not be so bright. There are not enough planting jobs to soak up the unemployed. Besides, the planting season lasts for only a few weeks in the spring.

"We'll select 10 percent of our laid-off workers to protect natural forests," the Heilongjiang lumber company's Han said of the 300,000 workers who would lose their jobs in his group.

Han said his group was searching for other employment ideas. The company had already started a spring water-bottling business and even planned to hold Internet literacy courses that would have loggers hacking on computers instead of trees. (Reuters)



The Dalai Lama visits Germany

The Dalai Lama gestures during a ceremony attended by thousands of supporters in a 'Tibetan center' on a former military training camp near the northern German town of Schneverdingen on Sunday. He is giving instruction in meditation there till Nov 1. (Reuters)

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סדרה של האכל

'The Guinness Book of Film' cites famous cinematic one-liners Movie stars: They talkin' to us?

By MITCH STACY

Bond — James Bond. As introductions go, that one by Sean Connery in the 1962 film *Dr. No*, went down as smoothly as a vodka martini — shaken, not stirred, of course — and now tops a list of the most famous movie quotes ever.

Agent 007's signature line beat out memorable deliveries by Humphrey Bogart, Clark Gable, Groucho Marx and Greta Garbo to top the list, drawn up by 10 film critics and experts to mark the publication of *The Guinness Book of Film*.

Al Jolson's first words — "Wait a minute! Wait a minute! You ain't heard nothin' yet!" — in the first talkie, 1927's *The Jazz Singer*, set the stage for the greatest movie quotes. That means compilers had 71 years and thousands of movies from which to glean the top 10.

"We were looking for quotations that were accessible and that had popular appeal on a global scale," said Karen O'Brien, the book's editor. "We were also looking for wit and delivery. Delivery is important."

Picking No. 1 was easy, she said, not only because Bond's introduction was the first utterance by Connery as 007, but also because it is repeated in the 17 subsequent Bond films.

The compilers reached back to Hollywood's early history for most of the screen gems — six of the 10 are from the 1930s and '40s — and flipped ahead to 1994 for the most recent, Tom Hanks' *Forrest Gump* noting how "Life is like a box of chocolates..."

The earliest is Greta Garbo in 1930's *Anna Christie*: "Gimme a visky with a ginger ale on the side — and don't be stinchy, baby" — her first words in her first talkie.

The Guinness Book of Film summarizes 1,000 movies by decades, and is available now in Britain, Australia, New Zealand, South Africa, Singapore and India. It may be published in other countries later.

The top 10 movie quotes:

1. "Bond — James Bond." — Sean Connery, *Dr. No*.

2. "Of all the gin joints in all the towns in all the world, she walks into mine." — Humphrey Bogart, *Casablanca*.

3. "It's not the men in your life that counts, it's the life in your men." — Mae West, *I'm No Angel*.

4. "I'll be back." — Arnold Schwarzenegger, *The Terminator*.

5. "Would you be shocked if I changed into something more comfortable?" — Jean Harlow, *Hell's Angels*.

6. "Life is like a box of chocolates: you never know what you're gonna get." — Tom Hanks, *Forrest Gump*.

7. "I could dance with you till the cows come home. On second thoughts, I'd rather dance with the cows until you came home." — Groucho Marx, *Duck Soup*.

8. "Frankly my dear, I don't give a damn." — Clark Gable, *Gone With the Wind*.

9. "You talkin' to me?" — Robert De Niro, *Taxi Driver*.

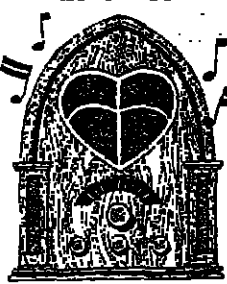
10. "Gimme a visky with a ginger ale on the side — and don't be stinchy, baby." — Greta Garbo, *Anna Christie*. (AP)



'Life is like a box of chocolates: you never know what you're gonna get,' says Tom Hanks in 1994's smash hit 'Forrest Gump.'

Britpop follows its own muse

In Tune



By David Brinn

Roll over Beethoven and tell Chuck Berry the news. Depeche Mode successfully pioneered a new form of pop music that basically ignored everything that came before it. London punks in the early 1980s, the boys of Depeche Mode chose synthesizers as their mode of sound because they could carry the things under their arms on trains and didn't need a van to transport them to gigs.

THE SINGLES 86-98
Depeche Mode
(NMC)

NU-CLEAR SOUNDS
Ash
(Hed Artzi)

DESERTER'S SONGS
Mercury Rev
(NMC)

On *Singles 86-98*, which captures the band after they used up their subway passes and were on the way to buying their own jet, the group flaunts its instruments with the confidence of the best guitar-slingers. As songwriter Martin Gore once explained, soul music was determined by the song, not the instruments it was played on. And in the long run, he was right.

The band presents a swirling cascade of bubbly, inventive sounds which belie the often morose quality of the black lyrics. Ignoring the calls of "synth wimps," they steadily produced quality disposable pop that was as danceable as the best disco. For rock purists, it was infuriating. For the fans, it was pop magic.

In an Internet chat group on the most overrated pop artists, Depeche Mode's name came up as a main violator, with the addendum, "Maybe you have to be British to appreciate them." Well, you only have to be open-minded



Mercury Rev is getting rave reviews in its native England.

and appreciate innovative pop. Long may their synthesizers gurggle.

ONE British band that would consider synthesizers an anathema is Ash, who on its second disc, *Nuclear Sounds*, turns the guitar amps up to 11.

The frenetic riffing of Tim Wheeler and Charlotte Hatherly is barely constrained by the limitations of the round disc — their revved-up sounds constantly threaten to jump out of the speakers. Thankfully, aside from a couple headbangers, the band manages to funnel the guitar power into striking and surprisingly melodic songs, which are given an additional emotional edge by Wheeler's clear, unaffected vocals.

Inspired in part by the nerve-scraping energy of punk, the guitar experimentation of Sonic Youth and the pop sensibilities of Oasis, Ash synthesizes into a cohesive whole which makes sense.

On the slower, tuneful numbers, like "Low Ebb," Ash creates some of the loveliest straightforward rock ballads heard this year. For a real treat, check out their New York Dolls tribute "Jesus Says." Ash is a garage band with a brain and a big heart.

MERCURY Rev has received rave reviews in its native England for

Deserter's Songs, and critics are calling it the new Radiohead. The band, however, has been together since the onset of the 1990s, and *Deserter's Songs* continues its established path of meshing dreamy, psychedelic-tinged pop with tangents toward jazz and experimental music.

Most of the creativity derives from the busy mind of Jonathan Donahue, the group's one constant member. Capable of writing a great pop melody, he often gets bogged down in too much instrumentation and lacks focus. This could be his goal, however, as focus was never an attribute of psychedelia.

Possessing some of the childlike qualities of a Brian Wilson, *Deserter's Songs*, with its light airy feel, resembles what The Beach Boys would have sounded like if they had continued on their late 1960s electronic experimental path.

In an incongruous touch, the one song with drums is courtesy of one of the greats, The Band's Levon Helm, who brought along mate Garth Hudson on saxophone. It's just one of the many surprises awaiting listeners who pick up *Deserter's Songs*. It may not be the album of the year, as the British pundits are claiming — there's too much weirdness for weird's sake — but it's nice to hear someone following his own muse down whatever path it leads.

Dvorak cello concerto tells story of life

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The music begins where the words stop. Reversing this E.T.A. Hoffmann phrase, one realizes that there isn't much that can be said about the performance of the greatest cellist alive. One simply cannot imagine that the cello is able to sound like this; it mesmerizes the listener and never lets him go.

Dvorak's familiar concerto is suddenly turned into the story of life, with the outbursts of passion from the first movement only echoing in philosophical finale, told by the penetrating voice of Rostropovich's cello, with most tender yet clear pianissimi. For a rendition like this, the IPO under Zubin Mehta played too powerfully, too young.

This does not mean that the renowned musician is getting old; the two captivating encores — *Saraband*, and an invigorative *Bourree*, by Bach — proved the contrary.

The solid, but less than vital performance of *Symphonie Fantastique*, by Hector Berlioz, played before the intermission, will not be remembered as one of the IPO's great achievements.

Maxim Reider

"Maybe This Time," from John Kander's *Cabaret*, Emily Skinner started with captivating feminine softness, only to end up with debatably feminine robustness. "Getting Married Today," from Sondheim's *Company*, was a delightfully amusing tongue-twister as delivered by Debbie Gravitte.

The male cast equaled the ladies in glamour. Mark McVey was pointedly humorous, except for the too-schmalzy conclusions, in Loewe and Lerner's *Gigi*, and in the familiar Professor Higgins vein of *My Fair Lady*. Norm Lewis started suavely before his voice became too well-done in the conclusion of "This is the Moment," from Frank Wildhorn's *Jekyll and Hyde* and "If I Can't Love Her," from Alan Menken's *Beauty and the Beast*.

Whatever subtleties there were in the musicals of the 1940s and '50s have been replaced by decibels, and by today's singers' belief that today's audience can be touched only if one shouts at it.

Ury Eppstein

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Mann Auditorium
October 7

THIS CONCERT opened with the agonizing rendition of one of the most moving 20th-century pieces — George Crumb's *Ancient Voices of Children*, based on the poetry of Federico Garcia Lorca.

With her powerful and rich soprano, American singer Barbara Ann Martin demonstrated her ability to reveal the dark drama and the reserved passion of the Spanish poet's lines.

In the *Brabant Concerto* No. 1 for piano and orchestra, Evgeny Kissin showcased his sense of style and infallible technique, being at his best in Rondo — the instrument sang purely and emotionally under his light fingers, sweeping through the rapid passages with incredible dexterity.

Yet in encores he exceeded himself, confirming once more his reputation as one of the leading young pianists of the generation. It's a pity he is never invited for recitals in this country.

With its music director Zubin Mehta on the podium, the IPO accompanied the soloist, playing in the most dramatic manner. Moshe Zorman's arrangement of "Havikva" was performed at the beginning of the evening, and sounded refreshing, although Comrade Stalin would undoubtedly execute not only the performers, but also the audience for such a rendition of a national anthem.

Maxim Reider

A cure for insomnia

DANCE REVIEW

Heinz Spoerli of the Zurich Ballet took 30 of his company's dancers through the musical odyssey of J.S. Bach's *Goldberg Variations*. The dance's structure is based on the musical score, changing dancers, lighting, costumes and background about every three minutes.

The choreographer, using neo-

GOLDBERG VARIATIONS
Zurich Ballet
TAPAC
October 22

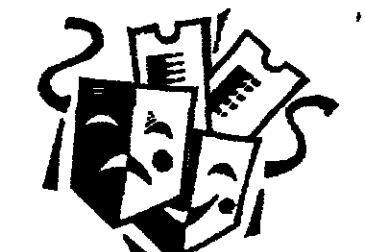
classical vocabulary, tries hard to catch up with the music while his dancers, truly skilled craftsmen, perform acrobatic challenges. But despite the beauty of the piece, there is little true inspiration.

This lyrical, abstract work is about lines and volumes in a given space, where the aesthetic comes first. As a result, the dance eventually seems so detached that it loses its relevance to present reality.

As such, the dance is almost equivalent to the beautiful nature scenes once projected on Channel 1's weather reports — a few seconds of running brook, green pastures or a close-up of a bee. Nice, but hardly passionate or exciting and no wonder. Bach wrote *Goldberg Variations* for a nobleman who suffered from insomnia.

Nathan not so wise

Theater Review



By Naomi Doudai

GE. Lessing, a late 18th-century German theater critic and writer of light comedies, turned to headier stuff towards the end of his life, launching a long struggle against the prevailing narrow-minded orthodoxy of the times. This found expression in his final work, *Nathan der Weise*, which was encouraged by his friend, Jewish philosopher and Haskala reformer Moses Mendelssohn.

NATHAN THE WISE
(Nathan der Weise)
By G.E. Lessing
Gesher Theater, Old Jaffa

A plea for religious tolerance written in blank verse, the play is a dramatization of the religious tensions that troubled an old Jew, a Moslem sultan, and a medieval Christian Knight of the Templars. Translated into many languages, *Nathan der Weise* saw its first production in English in 1967 at London's Mermaid Theatre. A Hebrew version played at Habimah some years earlier.

The present version (directed by Klaus Wagner) is brought to us in the original by a well-intentioned company of German actors (Theater Unterwegs-Theater Heilbronn). With the play's socio-moral-political message aimed at Jews, Moslems and Christians still acutely relevant, the actors obviously hope to promote mutual understanding and greater tolerance in this region.

As far as can be judged from opening night, however, the production mainly brought satisfaction of a rather different kind. The audience, consisting largely of an older, German-born generation of Israelis, was thrilled by the excellent delivery of a riveting, well-remembered text and overcome by nostalgia.

But the play was much less riveting for the non-German-speaking spectators, despite an intriguing set and costumes. The simultaneous translation was far from adequate, leading to fractured and incomplete comprehension of the plot, and the acting styles failed to realize the text's eloquent message in terms that would move a modern audience.

As a dumb show or pantomimed spectacle, the performance was therefore largely unintelligible and consequently, despite the excellent delivery, it was a disappointment.

Ury Eppstein

Gronich & Sheba Choir head for US

Shlomo Gronich and the Sheba Choir of Ethiopian teens visit the US on Thursday.

They were invited by Jewish communities in Tulsa, Oklahoma City, Chicago and Miami to take part in celebrations of Israel's jubilee.

and musician, created the Sheba Choir seven years ago when he was asked to prepare a group of Ethiopian children to sing a few songs on a TV special about Ethiopian immigration.

The eleven members of the choir, aged 14 to 16, live in Netanya. It is hoped that their concerts will promote better rela-

tions between local Jewish and black communities.

Songs like "The Journey to the Land of Israel," which tells the tale of the 1984 airlift Operation Moses will be staples of the tour. Also on the agenda is "Memories of Africa," the story of the 1991 Operation Solomon airlift.

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A timely measure

The 2 percent interest hike announced yesterday by Bank of Israel Governor Jacob Frenkel was attacked by politicians from across the spectrum. The broadsides from the usual strange bedfellows – the “social lobby” and industrialists – were predictable, but they were also joined by Science Minister Silvan Shalom and Industry and Trade Minister Natan Sharansky, who are not known as regular critics of the bank.

It is suspected that this wave of criticism is related to the whiff of elections in the air, following the signing of the Wye Memorandum. Elections may or may not be in the offing, but what is striking is the knee-jerk perception that resisting the interest-rate hike is good politics. Aside from the question as to whether it is good policy, the political implications of central bank-bashing may not be as clear as most politicians seem to assume.

Of course, no increase in interest rates, particularly in a slow economy, is cause for celebration. In the short term, it could delay a return to growth; and if growth is delayed that will be painful. But the public might be more concerned about economic instability than it is about higher interest rates, as it should be from a longer-term perspective.

The rapid depreciation of the shekel came as a shock to decision-makers, the business sector, and the public. Though Frenkel and Finance Minister Yaakov Neeman initially praised this development, they obviously did not want the shekel to enter a downward spiral similar to that experienced by currencies in Asia and Russia. A significant, but limited, depreciation was long overdue and could actually help the economy. As Finance Ministry Director-General Ben-Zion Zilberfarb recently told *Globe*, “We have been waiting for a realistic devaluation for many years. It is important for exports, and export profitability. The devaluation took place at a most opportune moment from the economy's point of view, in light of the expected significant decline in the global growth rate this year and in '99.”

As it turns out, the global growth rate may not be as depressed as expected in recent months, given the interest-rate cut in America, rallies in US and other stock markets, and Japan's recent

steps to shore up its banking system. But, if there is a hallmark to the global financial situation, it is instability, and uncertainty. In this global economic climate, Frenkel was correct to stress the need to shore up the stability of the economy. Though the politicians presumably have their hand on the public's pulse, Frenkel may have tapped the public mood more accurately when he acted to increase confidence in the shekel and stave off inflationary pressures.

The one non-politician in the government, Finance Minister Yaakov Neeman, has bucked the political trend and supported Frenkel without hesitation. It is to Neeman's credit that he has not followed the pattern of finance ministers from both parties who fought with Frenkel. With early elections a distinct possibility, Frenkel could well have been under much greater pressure to push off any painful medicine for months. Though the prime minister's chief economic adviser, Moshe Leon, did preemptively call on the Bank of Israel on Sunday not to raise rates more than 1 percent, there is no evidence of massive meddling in the bank's judgment, as might have happened in the past and does happen in many countries.

If elections do occur in the next six months, the economy could be the government's Achilles heel. Economic uncertainty both at home and abroad lead analysts not to predict a substantial economic recovery next year. Privatization combined with fiscal and monetary restraint is good economics, but has yet proven to be good politics.

The government may seek to add to its economic resume with a major push for Neeman's tax-reform package, which aims to substantially reduce marginal tax rates by closing dozens of tax loopholes. Politically, passage of the plan faces an uphill battle, since the battery of interests that will be arrayed against it will be formidable. The government should persevere, however, because tax reform could directly increase the income of many Israelis in a way that is good for the economy. Lowering taxes, stabilizing the shekel, and reining in inflation may encounter fierce political resistance, but people may be more astute than politicians think and accept sensible economic policies.

OPINION

The Great Betrayal

YOSSI BEN-AHARON

The Wye Memorandum will come to be known in Israel's troubled history as the Great Betrayal.

It encompasses the betrayal of solemn promises made to the people of Israel, the betrayal of the Jewish inhabitants of Judea, Samaria and Gaza and the hitherto greatest threat to Israel's security. Notwithstanding Prime Minister

ensuring maximal bilateral reciprocity and mutual responsibility in the execution of the undertakings in Israeli-Palestinian accords. Furthermore, it has enabled the United States to extend a protective umbrella over the Palestinian entity and its authority. The American presence as an arbiter, inspector and guarantor is bound to create friction between the US and Israel.

The issue now is whether Netanyahu should be permitted to continue to serve as Israel's prime minister

Binyamin Netanyahu's characterizations to the contrary, the Wye Agreement follows in the footsteps of its predecessors, the Oslo I and II Agreements. It is a repetition of the same fatal blunder of delivering territory – an irreversible concession – in return for promises, papers and committees.

To deliver more land to the Palestinians following four years of non-compliance and wholesale violation of previous commitments is a mind-boggling act. To term this act as an important step toward peace and security is an insult to the intelligence of our people.

If the Oslo Agreements have set the stage for the creation of a Palestinian state, the Wye Memorandum has gone a significant step toward solidifying the sovereignty of that state through two important concessions. It has granted the Palestinian entity a more coherent geographical configuration, encompassing a significantly greater degree of territorial continuity. It has given the Palestinian Authority control of entry and exit of people and goods to and from its territory.

All that remains for that entity to formally become a viable, independent state is a declaration of statehood by its government.

The Wye Memorandum went much further than any previous agreement with an Arab state in introducing American involvement in virtually every aspect of implementation and guaranteeing of the process. Thus, it has undermined the vital importance of

Even if Palestinian violations of the agreements continue and increase, the US will never announce that the agreements were a blunder or that they need to be reconsidered. Israel will pay the price until an inevitable showdown takes place.

NETANYAHU and his colleagues left Israel with the declared intention of securing an understanding that the last redeployment will be very limited (not more than 1%), that 31 Palestinians implicated in terror attacks will be delivered to Israel for prosecution and justice, that Palestinian Authority leader Yasser Arafat will not declare Palestinian statehood unilaterally, and, finally, that the Palestinian Charter will be abrogated by the Palestinian National Council.

The memorandum (paragraph 2B) states that the third redeployment will be addressed by yet another committee, which means that Israel will face another round of pressure to deliver more territory.

The 31 implicated Palestinian terrorists (minus the Palestinian chief of police Ghazi Jibali) will be apprehended by the Palestinian authorities for “further investigation, and prosecution and punishment.” The Palestinian record in this respect is totally negative and the PA's capacity to hoodwink the American observers is endless.

Arafat has made a point of stating repeatedly, after the signature of the Wye Memorandum, that he maintains the right to declare statehood at the end of the five-year period of the Interim

Dry Bones



Agreements. One may therefore well ask what was the point of making more territorial concessions if we may face a confrontation with the PA next May?

As for the abrogation of the clauses in the Palestinian Charter that call for the destruction of Israel, paragraph C2 of the Wye Memorandum lays down that a number of Palestinian bodies, including the PNC, will be convened to “reaffirm the letter of 22 January 1998 from Chairman Arafat to President Clinton concerning the nullification of the Palestinian National Charter. The provisions that are inconsistent with the letters exchanged between the PLO and the Government of Israel on 9/10 September 1993.”

Simply stated, there is a reaffirmation of a letter, but there is no clear provision for the abrogation by the PNC – and only the PNC – of the relevant paragraphs in the Charter, as specifically stated in the Palestinian Charter itself.

Therefore, either Netanyahu has been had, or he was convinced this was the most he could get from Arafat.

Since his return, Netanyahu has

tried to reach out to the Israeli inhabitants of Judea, Samaria and Gush Katif and assuage their concerns, especially with regard to the security situation following the upcoming territorial withdrawal.

The settlers have been through this scenario too often in the past. Now they have responded by declaring Netanyahu to be unfit for leadership of the “national camp” in Israel and have come out in support of early elections. No wonder, for what is inevitably in store for them is a tightening of the Palestinian encirclement around their villages and homes, and a growing danger to their safety and security.

The issue at hand is not whether the alternative to Netanyahu would be better or worse. The real issue is whether, facing Netanyahu's abysmal performance and betrayal of so much that is vital to the country's security and future, he should be permitted to continue to serve as the leader of Israel's government.

The writer is a former director-general of the Prime Minister's Office.

An uncertain future

HENRY SIEGMAN

The Pollard episode, which nearly sank the agreements reached between Israeli and Palestinian negotiators at Wye Plantation, exposes the questionable motives of Prime Minister Netanyahu and the unlikelihood of the agreements ever being implemented.

The suffering of Jonathan Pollard, jailed since 1986 for spying for Israel, no matter how unjustified, does not balance the clear and present danger of political instability and violent conflict in the region in the absence of a peace agreement.

There is no conceivable equivalence between the lives of hundreds or thousands of people – Jews in Israel and Palestinians in the territories – that will be sacrificed in the event of renewed war and the alleged injustice of Pollard's prolonged imprisonment.

That Prime Minister Netanyahu was prepared to risk the entire agreement and the cataclysmic consequences that might ensue to score the narrowest domestic political points with Israel's right-wing, on an issue totally unrelated to any of the points under discussion at Wye, confirms the most cynical reading of Netanyahu's performance these past two years.

It suggests that, to the extent that Netanyahu entertains a “strategic

objective,” that objective has been, and continues to be, the non-implementation of the Oslo agreements in a manner that allows him to escape blame and to point an accusing finger at the Palestinians or the US.

Such a conclusion is inevitable when one reads the terms of the new agreements. They contain nothing substantially new that Netanyahu could not have achieved earlier, if he wanted to implement the Oslo Accords.

Even the agreement on security was reached in its essentials as long ago as last December, when Israel's military leaders and the Palestinian Authority, with the active participation of the CIA, reached a formal written accord, only to be rejected by Netanyahu.

The Wye agreement was reached not because either side made any significant new concessions but because of President Clinton's personal involvement and his willingness to back Netanyahu against the wall. But Netanyahu's basic inclinations have not changed. If he finds new wiggle room that was denied him at Wye, he will find a pretext to avoid implementing the agreements, even if the pretext is as extraneous to the peace process as the Pollard case.

That is why continuing US involvement and pressure is absolutely essential if the agreement is not to evaporate.

THE MAJOR problem that existed between Israelis and Palestinians before Wye remains in its aftermath: There is still no agreement on the fundamental goal of the peace process.

For Israel, that goal was always clear, namely security. Palestinians, for all their alleged non-compliance with respect to their obligation to fight terrorism, understand and have formally accepted that obligation.

The fundamental goal for Palestinians is viable statehood in most of the West Bank, but it is a goal that Netanyahu's government explicitly rejects.

The Wye agreements failed to resolve this basic obstacle to final-status negotiations. That is why there is good reason to believe that if Netanyahu implements the next territorial redeployment, he will view it, for all practical purposes, as the final agreement.

If Palestinians remain convinced that their situation remains unchanged vis a vis statehood, they have even greater incentive than before Wye to declare state-

hood unilaterally after May 4, 1999. They will have a basis, albeit disputed by Israel, to declare statehood on 40% of the West Bank instead of the 27% over which they had some measure of control before the Wye agreements.

None of these concerns diminish the importance of President Clinton's accomplishment. They do, however, underscore that, like Netanyahu, Clinton must not see the new agreements in narrow domestic political terms. Their tenuous hold on the parties will lead the process forward only if Clinton remains personally engaged.

Of course, he cannot continue to imprison Netanyahu and Arafat at Wye, but he can express his determination to identify unequivocally whichever party is responsible for obstructing the implementation of the new agreements.

A credible American commitment (unlike an earlier commitment to this effect that was made following the London discussions between Secretary of State Albright and Netanyahu in August, but quickly abandoned) is sufficient to prevent the wiggle room that Clinton so effectively eliminated during the Wye negotiations.

The writer is a senior fellow at the Council on Foreign Relations in New York.

LETTERS TO THE EDITOR

THE FACTS ABOUT ITALIAN SYNAGOGUES

Sir, – In Steve Rodan's article “The Dubrovnik Question: Does a Synagogue Need Jews?” (September 15), Edward Serotta, director of the Vienna-based Central Europe Center for Research and Documentation, presents “facts” that are simply untrue.

Serotta claims that 19 synagogues were brought to Israel from Italy after World War II. This is not true. Although in the 1960s the Cultural Association of Italian Jews, in conjunction with the Ministry of Religious Affairs, transported arks, lecterns, and ritual objects from Italy to Israel, only three complete synagogues were brought over. One of them – the only one currently in use – is at the U. Nahon Museum of Italian Jewish Art (Center of Italian Jewry) on Hill Street in Jerusalem.

Serotta also claims that some of

the synagogues that were brought to Israel are housed in terrible conditions. Actually, all three synagogues, which are about 300 years old, are taken care of by professional restorers and are in excellent condition.

Unfortunately, however, due to budgetary shortfalls, some of the items that were entrusted to various institutions are not in good condition. These items, which date from the Renaissance and Baroque periods, are artistic and cultural assets that enrich the entire State of Israel, and therefore the state and its institutions bear responsibility for their care.

The Cultural Association of Italian Jews and the U. Nahon Museum of Italian Jewish Art are doing all they can to take care of these objects. People from our restoration institute travel around Israel, providing free guidance in how to treat them. However, we do

not have the funds to save all these treasures.

In any case, if these items had not been brought to Israel from their former homes in Italy – places where there has been no Jewish community for generations – quite likely nothing would have remained of them today. Only in this generation have the Italian authorities realized the need to preserve what remains there. For the most part, the items that have survived are those that were brought to Israel. Now we Israelis must do everything we can to restore these rare objects, which represent a fascinating but long-gone period in Jewish history.

NAVA KESSLER,
Director, Cultural Association of Italian Jews and Museum of Italian Jewish Art
Jerusalem.

GENERALI'S HISTORY

Sir, – A large advertisement from Generali Insurance appeared in your issue of October 9. Among many humanistic sentences and paragraphs, appears one of the most perfidious lies ever printed. Namely, “immediately after World War II in 1945, Generali's entire insurance business in Central and East European countries (Poland, Czechoslovakia, Hungary, Romania, Yugoslavia, etc.) was nationalized.”

Historical fact is that none of those countries began the nationalization before 1947-48. The real Stalinist era began in 1947-48 with the suppression of every political party or movement and the absolute domination of the communists. (I'm 78 today – I was there. My brother Paul Donath was the Deputy Minister of Internal Affairs in Romania, and in the '60s was executed as a “traitor

of the cause.”)

The father of my wife, Emil Stein, made a life insurance policy of many thousands of dollars in her name (he was an industrialist) in the Thirties in Budapest. He died during deportation in 1944.

In the spring of 1946, my wife and her widowed mother appealed to the then active office of Generali in Budapest – but they were brutally rejected because they were incapable of finding the insurance papers after their liberation from the Budapest ghetto.

Generali wanted a death certificate as well. (Was a death certificate ever issued for a person burned in Auschwitz?) The insurance companies don't make copies of their policies?

DAN DONATH
Haifa.

CANINE JUSTICE

Sir, – In her column of September 28, Sharon Gal asks, “Where is justice for our four-legged friends?” My question: where is justice for our two-legged enemies, dog-owners who unleash their dogs to use the public toilets, our streets.

I love and admire dogs. They sniff out bombs and people buried under rubble. They guard our homes and our borders. They herd our sheep, ride our fire trucks, rescue snowbound travelers.

Our local dogs soil our soles and cause us to walk with downcast eyes. It is time to put canine teeth in the no-litter laws, to collar the guilty owners and impose heavy fines.

FRED E. GRANTZ
Jerusalem.

FROM OUR ARCHIVES

65 years ago: On October 27, 1933, *The Palestine Post* reported that the police had dispersed by force the Arab anti-immigration and anti-land sales demonstration in Jaffa, held despite the High Commissioner's prohibition and warning. One constable was killed and two seriously injured.

Ten rioters were reported dead, 20 seriously injured. A large number of arrests were made and a curfew was declared in the area.

50 years ago: On October 27, 1948, *The Palestine Post* reported that at a festive Air Force Day assembly, the Prime Minister,

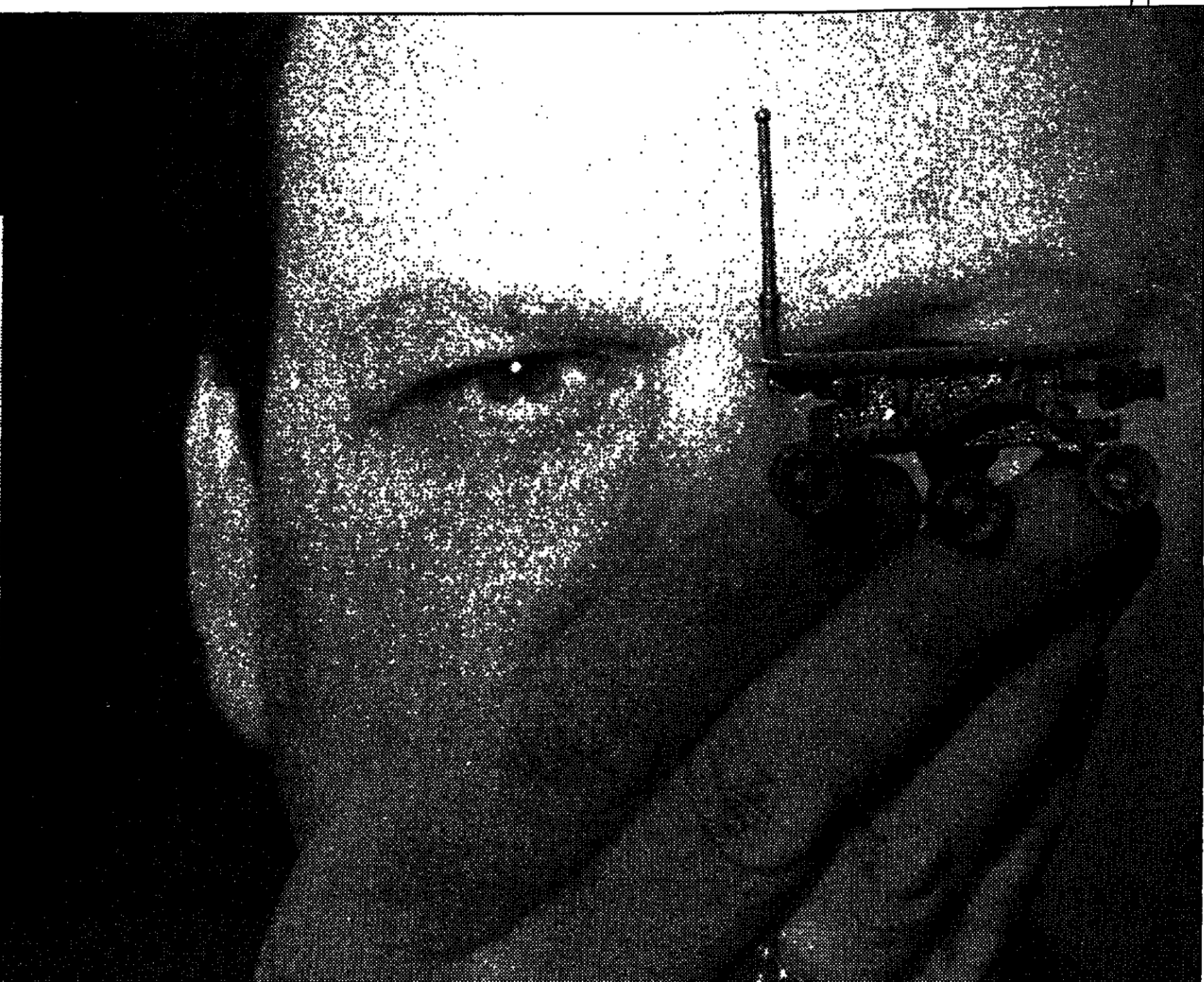
David Ben-Gurion, disclosed that in the recent battle for the Negev, Israeli planes destroyed enemy's air bases and planes, created panic among his troops and made the Mufti's puppet “Gaza Government” flee shamefully.

Alexander Zvielli

150 سال الامم

Child's play gets serious out in space

Kids, parents and teachers are demanding a heightened level of reality from toymakers — which is where NASA's rocket scientists come in. **Renee Tawa reports**



(From left) Joan C. Horvath, Jet Propulsion Laboratory's business alliances manager: 'Some people think the lab shouldn't be associated with toys — that it undoes our serious rocket image'; The Mars Pathfinder toy is so realistic that the mission's lead engineer, Howard Eisen, pulls it out of his pocket when he wants to point out a feature on the lander, for instance, to a scientist. (Photos: Los Angeles Times)

Listen, the rocket scientists told the toy makers, to what's going up into the big sandbox we call space:

- A spacecraft packed with aerogel — a kind of frozen smoke — to capture stardust from the heart of a comet dubbed Wild 2.

- An orbiter and probe bound for Saturn to peer at the planet's Hula Hoop-ish rings.

- A dragonfly-shaped spacecraft, Deep Space 1, headed for a rendezvous with an asteroid.

Now, wouldn't they make great toys?

Forget the alien-zapping Tasers, the "Beam me up, Scotty" activators and the time-traveling hatchets. US space experts at NASA's Jet Propulsion Laboratory (JPL) in Pasadena, California, are pushing toys that look and move like NASA spacecraft.

And they promise that JPL scientists and engineers who work on the actual missions will provide blueprints, computer models and advice — the way they did for Mattel Inc.'s toy version of the Mars Pathfinder rover and lander

in 1997.

In a daylong workshop earlier this month, called "Playing Among the Planets '98," the lab's experts pitched their latest space missions to toy makers, inventors and filmmakers.

Through JPL's partnership and licensing programs, businesses will get JPL expertise, along with exclusive rights to the names and ideas of its space missions.

Even the chief mission engineer for Deep Space 1 took the time to woo the industry crowd with news of the spacecraft, which was due to be launched on Sunday ("propelled by xenon ions," a handout for the spacecraft explains).

The workshop drew 40 executives from the toy and entertainment industries, including a filmmaker from London and a tombstone-commemorative maker from Kentucky.

For Seattle toy executive Mario Di Pasquale, the wheels started turning as soon he walked in the door.

"I've already seen about two or three things I want to do," Di

Pasquale said.

The draw? "It's real," he said. "Fantasy's great, but it's more important to show reality."

THE lab's link with the toy industry began last year, with Mattel's Hot Wheels JPL Sojourner Mars Rover Action Pack. The \$5 toy was so popular that even JPL's Mars Program manager had to buy a set off a scalper. (Mattel will not release sales figures, and JPL will not disclose its share of the profits.)

The success of the Pathfinder toy prompted JPL officials to throw open its doors to other toy makers, said Joan C. Horvath, the lab's business alliances manager.

"Some people think JPL shouldn't be associated with toys — that it undoes our serious rocket image, you know," Horvath said.

Her voice dropped to a mock ponderous tone. "Some people still think it's trivializing science."

But with cutbacks in the space program, the partnership agree-

ments are good business and public relations, JPL officials said, and a way for them to share space

Toymakers 'are very much like us. They get to dream up the next new superhero. We get to dream up the next new crazy mission to Mars'

— NASA engineer

technology with US industry. More than 140 companies pay the lab consulting fees, usually ranging from \$40,000 to \$50,000

each. Through the program, which brings in about \$4 million annually, lab scientists and engineers work on outside projects such as the *Babylon 5* TV show and the trans-Alaska pipeline.

The consulting work takes up a fraction of JPL staff time — less than one percent, officials said. On the Mars Pathfinder toy, for instance, Mattel designers consulted with JPL engineers once every four to six weeks.

So far, JPL is the only one of NASA's 10 centers that grants toy licenses. Besides its agreement with Mattel, JPL has announced only one other toy licensing agreement, with Uncle Milton Industries Inc., although others are in the works.

Uncle Milton, maker of the Ant Farm, is producing a line of Mars toys that will include a robotic arm based on the one used by the Mars Pathfinder rover.

SURELY it doesn't take a rocket scientist to come up with a rover?

But the only way Mattel was able to duplicate the rover's suspension

system was by going to JPL, which holds a patent on the design.

"Because there is so much information available, I think kids and parents and teachers are demanding a heightened level of reality," said Chris Byrne, editor of *Playthings Market Watch*, a New York-based toy industry newsletter.

JPL won't sign agreements with companies that want to make fantasy toys.

"We get some companies that say, 'We want to make something with flashing Martians on top,'" Horvath said. "We say, 'Thank you very much. Have fun with that.'"

Now on the drawing board is a Mattel toy replica of the Galileo spacecraft, which is orbiting Jupiter.

Mattel's designers recently visited Galileo's desert tracking station to learn about the spacecraft's orbit. JPL insists on realism to the point that the toy will incorporate Galileo's famously stuck antenna.

The Mars Pathfinder toy is so

realistic that the mission's lead engineer, Howard Eisen, pulls it out of his pocket when he wants to point out a feature on the lander, for instance, to a scientist. Eisen, 30, was assigned to help Mattel's designers, who visited JPL's spacecraft assembly clean room to watch the mission team work on the real thing.

"Those guys are very much like us," Eisen said. "They get to dream up the next new superhero. We get to dream up the next new crazy mission to Mars."

The toy, he said, is more real than he could have imagined.

Count the solar panels atop the toy rover — the real robot's solar panels have the same number and configuration. Turn the toy upside-down — details of wiring and diodes are molded on in the right spots. Check out the cleats on the toy wheels — the number and texture mimic the Mars rover's.

"When I give one of these to my grandkids," Eisen said, he'll "get to show them this is what the rover really looked like."

(Los Angeles Times)

Food for thought in Canada's holey war

By STEVEN PEARLSTEIN

Most people are aware that the great fault line running through Canada has to do with language (English vs. French), religion (Protestant vs. Catholic) and, of course, hockey (the Maple Leafs vs. the Canadiens).

But in recent years there has been a new factor threatening Canadian unity: the holy war between the Toronto and Montreal bagels.

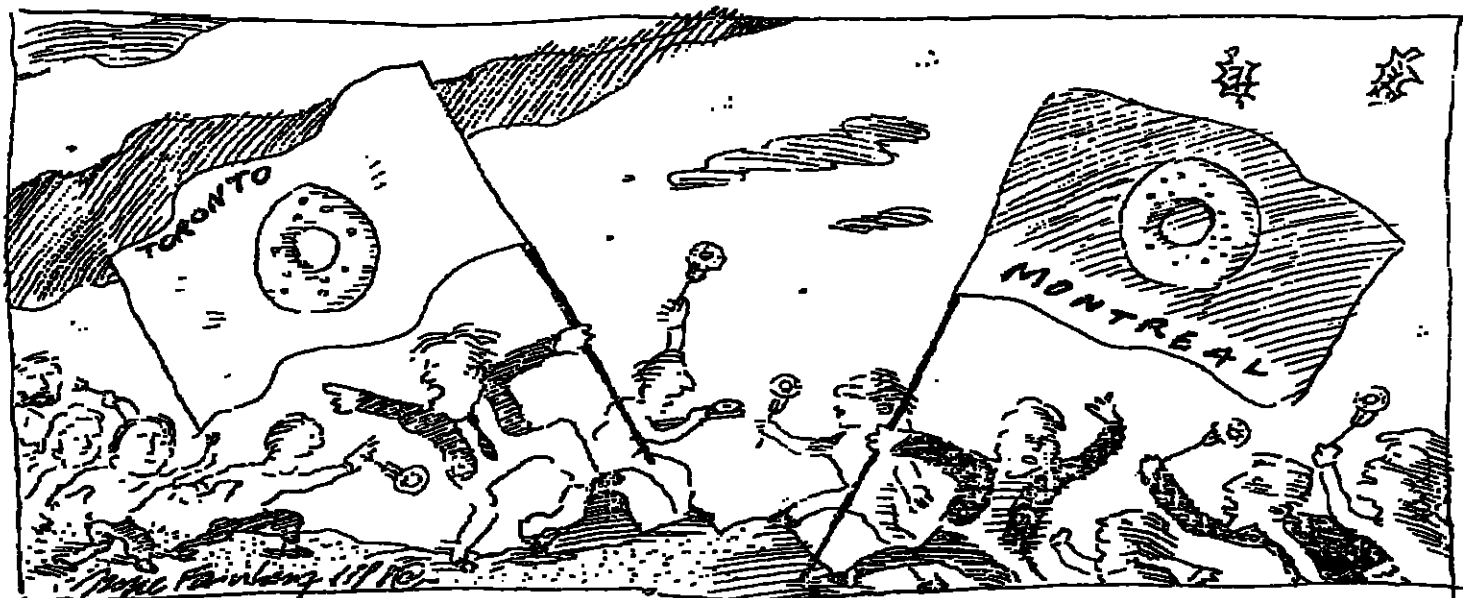
"Listen, this is serious stuff," explained Marion Kane, a Montreal native who is now food editor at the *Toronto Star*. "I know people who have left Montreal because of bagels, and I know people who have left Toronto because of bagels."

If you doubt the seriousness with which Montrealers or Torontonians take their bagels, you have only to chat up the customers who regularly stand in lines running out the door at the Bagel Shop on St. Vianur Street in Montreal or Gryfe's Bagel Bakery on Toronto's Bathurst Street, the two founding temples of Canadian bagel making.

"Nobody else could make a bagel as beautiful as they do," declared Tanya Nalhouse, an elderly Montrealer who walks 20 minutes back to the old neighborhood each week to take in the smell of the wood-fired ovens and get her week's supply of St. Vianur bagels. "Those others are not bagels — they're salty buns with holes in them."

"Ladies' bagels," another St. Vianur customer said of the Torontonians' impostors.

The put-downs were much the



same outside of Gryfe's in Toronto one recent Sunday morning.

"Montreal bagels are too sweet for me," said Brenda Hoffert, a documentary filmmaker. "They're like rolls with holes in them."

"I can eat these all day," said Edward Sorbara as he emerged from Gryfe's with four one-dozen bags — one for himself, one for his son and nephew at college. "I eat one Montreal bagel and I'm tired and it feels like there's a big lump in my stomach."

THERE is more than merely hometown pride that divides these two warring tribes. The two bagels are, indeed, noticeably different.

The authentic Montreal bagel is still made the way they were by Jewish immigrants who arrived

from Poland at the turn of the century. The recipe includes flour, eggs, sugar, yeast and malt, but no salt. Once mixed, the dough is cut and rolled by hand, then boiled for two minutes in honey-sweetened water and immediately baked on large wooden paddles in giant wood-fired brick ovens, 10 minutes on each side. The result is a somewhat flat, small-holed bagel, hard on the outside, chewy on the inside, with a bland taste that cries out for cream cheese and a piece of smoked salmon.

The Toronto bagel, by contrast, is slightly less crusty on the outside, noticeably fluffier and lighter on the inside. And because it has some salt to balance off the sugar, it has little of the sweetness of Montreal's. After mixing, the dough is more often rolled by

machine, then allowed to rise for a few hours in a steam cabinet or overnight in a refrigerator. It is baked on one side only in modern gas or convection ovens.

In either city there is hardly a block these days that doesn't have a bakery offering hot bagels, along with searing opinions about Brand X.

At Montreal's Fairmount Bagel Bakery, around the corner from St. Vianur, co-owner Rhonda Shlafman dismisses the Toronto bagel as "salty and puffed up. It's kind of like a croissant kind of thing."

And Joe Morena, an Italian who took over St. Vianur's after founder Meyer Lefkowitz died several years ago, says that after learning how the Toronto bagel was made, he's never been tempted to try one.

There is equal conviction among the bakers along Bathurst. Toronto's bagel alley, running through the heart of the city's sizable Jewish community.

At Haymish Bagel in Toronto, owner Moti Sorek has nothing but contempt for the "unsophisticated" Montreal product. "Some people like to chew on a bagel," he said. "In Toronto, we like to eat them."

Lisa Slater, owner of Toronto's Bakeworks chain, compares Montreal's offerings to the dense bland "bagel-shaped objects" sold in grocery stores and fast food restaurants.

"The wood-burning stove is really an affectation," she said. "Within a couple of hours, the smell is gone, and what you're left with is a sesame-coated hockey puck." (The Washington Post)



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Just a bit too overbearing

Now I'm as much of a Yael Arad fan as the next Israeli. I too felt pride and excitement when the young athlete brought home the silver medal in judo from the 1992 Olympics, and sympathized when illness interfered with her ability to repeat or improve that achievement in 1996.

After interviewing Arad two years ago, I came away admiring her cool, competitive, unflappable demeanor, her total confidence in herself and her abilities.

There aren't many women who are comfortable describing themselves as totally bent on winning and utterly competitive, and I respected that.

But today I have to say that all that past admiration had something to do with the assumption that I myself would never be competing against Yael Arad. No, no, no — I haven't taken up judo. But Yael has recently, very publicly, taken up motherhood.

When we fellow mothers first learned that the star athlete was pregnant, we were all set to wel-

approaching the third trimester of my second pregnancy and already looking like a human beach ball, lacking the energy and muscle tone to make it to the bathroom, let alone the gym.

But what really took the cake was the way Arad shrugged off labor and delivery. Really, she said, the whole thing — compared to the kind of physical pain she put herself through as an athlete — was nothing. She said that while she had been intrigued by the prospect of labor contractions, they had proved little more than an interesting challenge.

And in the end, she let us know, even pushing the baby out was no big deal. She calmly warned the doctors to get ready for the baby, she recounted, and joked that they should bring in soccer star Bonnie Ginzburg to catch him, implying that her amazing muscles would cause the baby to shoot out with such force that a professional catcher would be

Home Front



Allison Kaplan Sommer

Having turned pregnancy into a competitive Olympic event, this time Arad is going for the gold

come her into the fold and share with her the joys and tribulations of bearing and raising children. But after hearing new mom Yael interviewed postpartum, we are feeling a great deal less friendly.

You see, Ms. Arad seems to have decided to turn childbearing into a competitive Olympic event, and if she only took home the silver medal in Barcelona, this time she is going for the gold.

In her interviews, she has repeatedly, continuously, and endlessly emphasized that pregnancy is a piece of cake. No mention of morning sickness, fatigue, unattractive digestive disruptions or any of the other symptoms we mere mortals experience when we are with child.

No, Arad tells us, when you are as fit and tough as she is, pregnancy is a whole different ball game.

Not only was she free from discomfort, she continued full-fledged athletic weight-lifting workouts till the end of her pregnancy — toning them down only when forced by her doctors. She regaled her various interviewers with stories of her unbelievable stomach muscles — so taut and tight, you understand, that she experienced no stomach bulge whatsoever until her seventh month.

She bravely resisted her increased appetite while she was pregnant, sticking to her usual training diet and only gaining five kilograms the whole time.

All of this was irritating enough, particularly for me —

necessary. Then, without a cry, "without even a grunt," she emphasized — out he popped.

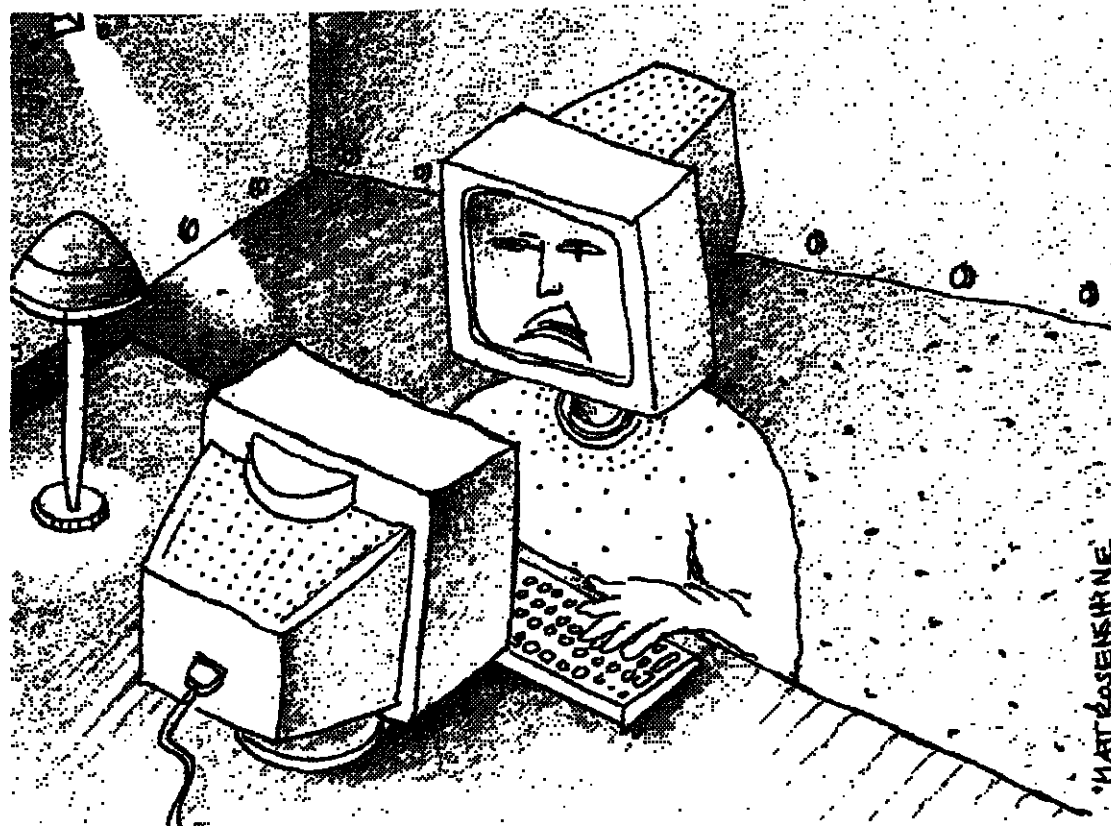
The day after baby was born, Arad decided to check out how utterly superhuman her body was: Defying doctors' orders, she performed 20 sit-ups. Today she is doubtless busy setting a record for nursing efficiency and qualifying for the National Lactating Squad.

Yael, here's a message for you: We are all thrilled that bearing a child cost you little more time and effort than a visit to the dentist. But the rest of us less battle-ready women are very interested in preserving our inalienable right to complain about our discomfort, commiserate as our weight balloons, and, most importantly, receive some understanding during labor as we moan, groan and curse our loved ones for getting us into this predicament.

We also want the right to be azy zombies for a few weeks afterwards without being expected to even attempt a sit-up. We really don't need friends and family — particularly husbands — asking us, "Why couldn't you be like that?"

So let's make a deal. After hearing your impressive accounts of your childbearing, the rest of us gladly hand you the gold medal in Athletic Reproduction and are prepared to drape it over your head with all the respect you deserve.

We surrender. You win. Now please do us all a favor, and shut up.



Surfers in the spotlight

Do hours spent on the Internet make you introverted and suicidal, or does the Web encourage gregariousness and a varied social circle? John Schwartz examines the evidence

What is the Internet doing to us? The burgeoning online medium has proved an irresistible subject of study for social scientists thrilled to see a new society emerging virtually overnight.

Academics are examining every facet of online life for America's millions of Internet users: the ways people use the medium, its successes and failures in education and medicine, the prospects for electronic commerce and the development of communities of people linked via modem.

But despite a great deal of research, "We know very little about how the Internet is actually affecting people's lives," said James E. Katz, a leading researcher in the field and professor in the Department of Communication at Rutgers University in New Brunswick, N.J.

Last week a much-touted study from Carnegie Mellon University suggested users of the Internet become lonely and socially withdrawn. The researchers also did not follow a "control" or similar group with no Internet access, generally considered an essential component of any such research.

That the researchers only surveyed the participants twice — once before they went online, then a year later — is a serious weakness, said Donna L. Hoffman, a researcher at Vanderbilt University. The Carnegie Mellon researchers themselves note that the study's large population of teenagers, who tend to grow depressed and withdrawn, might have skewed the results.

The new research is "not ready for prime time," Hoffman said, adding that this is not to say the Internet does not cause depression, though she doubts it does because such a finding would "run counter to experience, anecdotal evidence, practice and scholarly research" like her own.

But computer author Robert Lauriston countered: "I think a lot of people are in denial about the negative effects of spending too much time online."

On the global conference system known as Usenet, Donna Gettings, 43, a manager of an at-home medical transcription service in Pittsburgh, quipped, "According to this survey, I guess I committed suicide some time ago."

THE Carnegie Mellon study is part of HomeNet, a \$1.5 million project in which 93 Pittsburgh families were given free computers and Internet access.

The three-year-old project has already published studies showing, for example, that use evolves from initial passive World Wide Web surfing to communication activities such as e-mail and Usenet. The group has shown that people who view pornography online tend to decrease their porn surfing greatly after the novelty wears off.

HomeNet, however, has its limits. The 169 participants are a small group and were not selected at random — two things that make it difficult to generalize any study results to a larger population. The researchers also did not follow a "control" or similar group with no Internet access, generally considered an essential component of any such research.

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said Carnegie Mellon study co-author William Scherlis. He was careful to note that "the effects we noticed are small, but they are statistically significant... It's not a big enough effect that if you use the Internet too many hours, you're going to wake up one morning and need a prescription for Prozac."

"These are relatively minor symptoms of depression," Kraut explained, "more like being in a funk than being suicidal."

Scherlis suggested simple changes that could make Internet exploration a less solitary pursuit — moving the computer from a basement office to the family room, for example.

OTHER researchers are examining the Internet with different results.

Rutgers's Katz and colleague Philip Aspdren, executive director of the Center for Research on the Information Society, surveyed 2,500 Internet users and found no evidence of social withdrawal: Online participants are no less likely to join religious, leisure or community organizations than people who aren't online, the research indicated.

Hoffman and partner Tom Novak at Vanderbilt University's Project 2000 have collaborated with researchers at Georgia Tech and others, and focus in part on consumers and what they find compelling in electronic commerce.

Their research, too, suggests many Web users consider being online to be both positive and enriching, leading to a satisfying mental state.

No one yet knows where various threads of research will lead, and Carnegie Mellon's Scherlis warns against reducing scientific results like his to a "bumper sticker" notion that the Internet is depressing or somehow dangerous, and should therefore be controlled or restricted.

The findings "should in no way give anybody an excuse to delay bringing the Internet into the home or into the schools or into the inner city — or anywhere else for that matter," he said.

(The Washington Post)

GRAPEVINE

By GREER FAY CASHMAN



A pensive Leah Rabin in the Yitzhak Rabin Presidential Suite.

Looking positively stunning, Leah Rabin joined Alfred Akroff, builder and owner of the Jerusalem Hilton, and Peter George, CEO of Hilton International, in receiving guests from all over the country at the official unveiling of the hotel's Yitzhak Rabin Presidential Suite. Hostesses in long black gowns and lavender chokers ushered guests to a reception area on the 10th floor, where they were wine and dined for almost an hour before descending one flight to the luxurious suite filled with Rabin memorabilia. It faces the walls of the Old City, which was liberated when Rabin was chief of staff. Jerusalem mayor Ehud Olmert spoke in both in Hebrew and English, and when he apologized for his English, Rabin responded: "I'd rather hear your English than someone else's." The implication was clear.

After everyone had inspected the L-shaped kitchen, large patio, living room, study, king-sized bed, walk-in dressing room and huge bathroom suite, they made their way to the fish restaurant on the fourth floor, where they were treated to another feast, served in style with a capital S. Most occupants of the Rabin suite will be visiting heads of state, but lesser mortals can treat themselves to the same grandeur for a mere \$1,725 per night.



Navon: 'more than Mimouna' (David Rubinger)

"It's time people knew there are things other than Mimouna and moufleta," said Israel's fifth president, Yitzhak Navon, launching The World Center for the Heritage of North African Jewry, of which he is honorary president. Ezer Weizman was received in traditional North African fashion by



Weizman: no Moroccan blood (David Rubinger)

Rabbi Shlomo Dayan, who offered him honey and hallah. Calling out greetings, the president endeavored himself to the crowd by saying that he had searched for Moroccan blood in his Ashkenazi lineage, but found none. The closest he came to Moroccan kinship, he revealed, was a maternal aunt who married a Moroccan called Albert Amiel.

Among the hundreds of Moroccans congregated beneath an exquisite canopy were Jerusalem Chief Rabbi Shalom Mashash, David Sousana, Rafi Elul, Rafi Edri, Shimon Shetreet, Zeev Revah, Sam Ben Chetrit, Haim Cohen and many other well-known figures who take pride in their ethnic origin.

GREEK Ambassador Sotirios Varoufakis is an enthusiastic film buff with a particular fondness for Yugoslavian movies. It was not surprising then, that he was invited to a dinner hosted by Yugoslavian Ambassador Mirko Stefanovic and his wife, Ljiljana, in honor of Yugoslav film celebrities Milena Dravic, Branka Katice, Garcin Stojanovic, Peter Volk and Miraljub Vuckovic, here for the opening of Yugoslav Film Week at the Tel Aviv Cinematheque. Also on the guest list were TAC director Alon Garbuz and several of the Stefanovics' personal friends, including Tel Aviv socialite Naomi Cherpak, who has intro-

duced them to most of the Israelis they know.

IT could have been rather embarrassing not having Foreign Minister Ariel Sharon on hand to greet Costa Rican counterpart Roberto Rojas on his first visit to Israel. But the Costa Ricans, who have a longstanding friendship with Israel, were understanding of Sharon's priorities at Wye Plantation. A reception for Rojas was hosted by new Costa Rican Ambassador Rodrigo Carreras, whose father served here twice. Among the first guests to arrive were Murray R. Smith, deputy secretary-general of the Baha'i International Community, and Rick D. Miller, BIC Jerusalem representative. Yael Banayahu, head of the Foreign Ministry Protocol Section, also attended, while other members of her department fanned out to numerous other diplomatic affairs along the coastal plain. All the Latin American diplomats, however, chose to come to Jerusalem. El Salvador's Rafael Alfaro Pineda and his wife, Carla, didn't have far to go as they live in Jerusalem, but the Argentinian, Mexican, Spanish and Brazilian ambassadors all live in the Herzliya Pituah-Kfar Shmaryahu area. Brazilian Ambassador Pedro Paulo Pini Assumpcao, who absolutely adores Jerusalem, was already salivating at the possibility that, as result of developments at Wye Plantation, his embassy might soon be moved to the capital.

ALTHOUGH it is his wife Ofra who is running for office in the Jerusalem municipal elections, Agriculture and Environment Minister Rafael Eitan was invited to meet members of the Jerusalem Economic Forum to hear their concerns about urban incursions into the Jerusalem Forest. Eitan promised that if anyone proposed a law to protect the forest, he would support it.

WILL Naomi Chazan run true to her track record? At a reception to mark the transfer of the chairmanship of Hebrew University's Harry S. Truman Research Institute for the Advancement of Peace from Professor Moshe Maoz to Professor Amnon Cohen, Chazan was singled out by Truman Institute Executive Director Edy Kaufman for the number of "firsts" she set at the institute: the first (and so far only) woman to head the institute, the first head of the institute to become a Knesset member, and the first woman to run as a candidate for mayor of Jerusalem. The remaining question: Will she become the capital's first woman mayor?



Chazan: string of firsts (Issac Harari)

CHAZAN last week gave a dynamic address to participants in the leadership seminar hosted by the International Council of Women, whom Jerusalem Mayor Ehud Olmert also addressed. When ICW Vice President Alison Roxburgh of New Zealand, the first country to give women the vote, rose to thank Olmert, she could not refrain from telling him that ICW favors "having women in positions of influence and power."

A KEEN cyclist, Jerusalem Post staffer Jon Immanuel has once again been inveigled into riding the length of Israel from Geshur Haziv to Eilat to raise money for handicapped children in Israel and England at Allyn and Ravenswood. He has been permitted to divert some of the contributions he receives to The Jerusalem Post Toy Fund, an exception to the rule which became all the more meaningful this week as tributes poured in to honor the memory of Beverly Black, the long-time funds director who died last Friday.

His roving eye may mean insecurity

Dear Ruthie, I am a 57-year-old widow. About two years ago I met a man of 60 with whom I've been having an intimate relationship. He is everything I could have hoped for: wealthy, good-looking and extremely charming — which is part of the problem. He is a grandfather, but you wouldn't know it to look at him. He keeps very fit physically, and dresses youthfully.

He wants us to get married, but I'm frightened. He has a real eye for the ladies — especially ones many years his junior. Twice he has confessed to spending the night with some waitress or other woman he met in passing. Each time I felt humiliated and stopped seeing him, until he returned and professed his love.

But I'm having a hard time — not just with his infidelity, but with how his choice of young girls is making me feel. Though I used to be considered a very beautiful woman, age has taken its toll. I no longer have the face — and certainly not the body — of a young girl. And I don't like being reminded that I am getting older.

When I tell him these things, he assures me that I am still beautiful and says his straying means nothing. He's even promised that if I agree to marry him, he'll stop behaving this way.

I don't know whether I can trust this man, and I don't want to be married to someone around whom I feel unattractive. On the other hand, no man I've met since losing my husband 10 years ago has been as good a listener or as good a friend.

Skin Deep in Dilemma
Somewhere in Israel

Dear Skin Deep, What you have to try and figure out is how much of your attraction to this man stems from his charm and friendship, and how much comes from a deep-seated need on your part to feel insecure or unattractive in a relationship.

To be sure, this kind of self-examination is extremely difficult, due to the inherently elusive nature of the

unconscious. One way to approach it, then, is by examining all your past relationships with men to see if you can find any parallels. Such parallels should include a possible

pendant for men with wandering eyes or other parts of their anatomy: a sense of yourself as unattractive when faced with competition from other women; and a general inability to trust men's promises of fidelity.

If you notice any patterns, you'll have hit on an important discovery about yourself. This may not solve your dilemma, but at least it will shed light on why you're faced with it.

If you fail to see such patterns in your past behavior, a different kind of soul searching is in order. This involves determining priorities. Are you willing to overlook minor straying on this man's part in exchange for the kind of friendship which is so important to you, for example?

Though it is possible that he genuinely intends to keep his promise to remain faithful to you after marriage, someone who finds it difficult to resist the sexual attentions of young women is not likely to transform overnight.

But have you considered that the insecurity about the physical effects of aging is one which your boyfriend might share? The fact that he keeps himself fit and dresses to look younger indicates that he is just as worried about his altering appearance as you — if not more.

That he temporarily overcomes this worry by seducing younger women may not be a source of comfort to you, but it might help you to realize that it is not your looks which are driving him to "stray."

This is something you should discuss with him before making any decisions. Then have a little discussion with yourself about whether your joint insecurities are compatible enough to withstand matrimony.

Letters should be addressed to: 'Dear Ruthie', POB 81, Jerusalem 91000. For e-mail: ruthie@post.co.il ('Dear Ruthie' also appears on Fridays in In Jerusalem and City Lights.)

Dear Ruthie



Ruthie Blum

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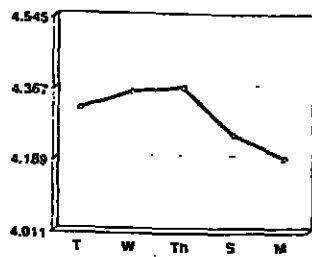
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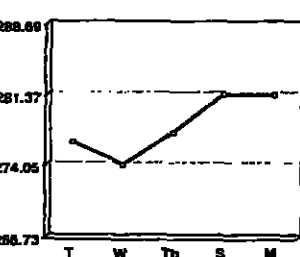
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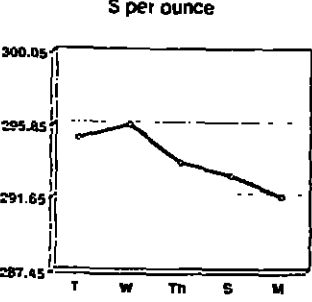
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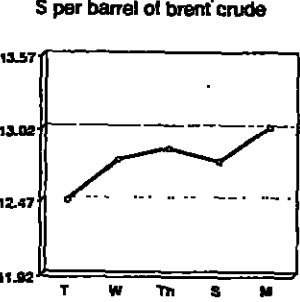
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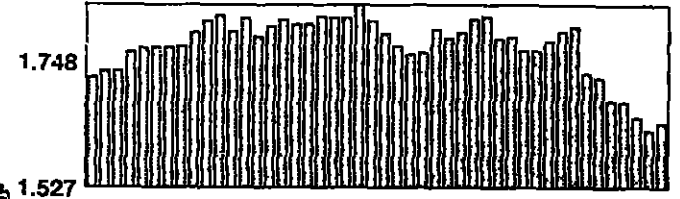
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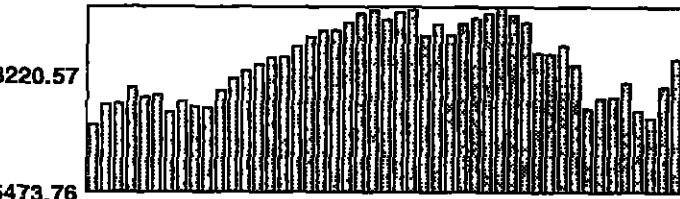
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Israel-US trade reaches \$13.3b. in 1997

The bilateral trade between Israel and the United States reached \$13.3 billion in 1997, placing Israel as the US's eighth-largest trading partner in Europe, said Nina Admoni, general manager of the Israel America Chamber of Commerce. According to Admoni, Israel is ranked before countries such as Sweden, Ireland, Spain, Russia, Norway, Austria and Denmark.

Dan Gerstenfeld

Hotel stays rise in first 9 months

The number of people staying in Israeli hotels rose by more than one percent during the first nine months of the year, according to figures the Central Bureau of Statistics published yesterday. The number of nights spent by tourists dropped, however, by more than 9% to 5.6 million, while the number of nights spent by Israelis rose 13% to 6.9 million.

At the same time, the average occupancy fell to 58.4% from 61.6% in the January-September period in 1997. The CBS attributed the decline to a 5% increase in the number of hotel rooms.

Dan Gerstenfeld

MK panel: Gov't must make trains a priority

There can be no progress in the present rail legislation discussions unless the government shows some willingness to advance the cause of Israel's rail system, Knesset Economics committee Chairman Amnon Rubinstein said yesterday. The government bill aims to separate the railways from the existing Ports and Railways Authority. The creation of the new body would speed up the process of international tenders for developing the railroads.

However, Rubinstein told the committee he does not see how the matter can be advanced while the Treasury's budget department is still carrying out its own research on the future of the train system.

David Zev Harris

Lafarge buys 1/3 of Jordan cement producer

Lafarge SA, the world's second-largest cement maker, said it will buy 33 percent of Jordan's sole cement producer for 560 million French francs (\$102m.), pursuing its expansion in developing economies.

Jordan Cement factories has two plants with the capacity to produce 4.2 million tons a year and sold 3.3 million tons last year, Lafarge said. This is Lafarge's first acquisition in the Middle East.

Bloomberg

MKs begin state budget debate today as Treasury predicts: Unemployment set to increase in '99

By DAVID ZEV HARRIS

Unemployment will rise next year to as much as 9.3 percent from this year's predicted average of 9.1%, Treasury economists said yesterday.

The Finance Ministry spent the day beginning its media campaign to persuade MKs to support the 1999 state budget, which has its first reading in the Knesset today.

The Treasury's predictions paint a negative picture for the remainder of this year and all of 1999, with lower-than-originally-forecast macroeconomic data for 2000 and 2001.

Economic growth will end the year at 1.6%, while the per capita gross domestic product (GDP) will shrink 0.8%, according to the Treasury's figures.

"GDP will increase 2-2.5% in 1999, higher than that for 1998 but still lower than the economy's potential growth rate," read the macroeconomic data, which accompanies the state budget.

Unemployment will remain above 9% for the coming 14 months at least, before falling to 8.3% in 2000 and 7.5% in 2001. In

1996, joblessness stood at 6.7% and tallied 7.7% a year later.

The proportion of foreign workers, including Palestinians and those from further afield, will reach 11.8% of the workforce this year and will slide back to 11.1% during the course of 1999, still slightly higher than the 1996 level.

"We're in a state of uncertainty,"

Budget

explained state revenue director Tsipi Galyam.

"We're in a slowdown in the economic cycle, as can be seen, for

example, in the [reduced] number of building starts. We hope unemployment won't rise too much."

In outlining the government's spending package for next year, state budget director David Milgrom said "it's up to the business sector to bring about growth in 1999."

He added there are four guiding

principles to the budget:

- Reducing the budget deficit in line with the multi-year target, to 2% of GDP. In Milgrom's opinion the government will meet its 2.4% target for 1998.

- Cutting government expenditure as a percentage of GDP. This year, the budget is likely to equal 47% of GDP, with next year's coming in at 46.5%, the same level registered in 1997.

- Reducing government debt as a percentage of GDP.

- Assuring that there is no increase in taxation. This statement was backed up by Finance Minister Yaakov Neeman, who also promised to introduce his planned tax reform as soon as possible. His plan is to reduce the top tax brackets and widen the tax base.

The vote on the first reading could well only take place tomorrow, with an all-night debate in the Knesset.

The next stage will be a one-to-two-month discussion of the budget in the Knesset Finance Committee, with the second and third readings to take place on or about December 31.

The budget in brief

By DAVID ZEV HARRIS

The 1999 state budget totals NIS 215 billion, of which NIS 183.3b. is allocated for government expenditure, with the remainder set aside for debt repayments and similar expenses.

In addition to the NIS 183.3b., the Treasury has substantial reserves set aside to cope with inflation, particularly given the recent depreciation in the value of the shekel.

The Treasury maintains the key increases in the budget are to be found in infrastructure spending, funding for research and development programs, professional training and tourism projects.

On the other hand, most ministries are facing cuts

to pay for these increases and a rise in defense spending.

The defense budget is set to increase from NIS 34.5b. to some NIS 36b. This sum, however, remains in considerable doubt, particularly given the recent agreement on the second redeployment and the country's changing security needs.

Finance Minister Yaakov Neeman said yesterday that a joint team from the Treasury and Defense Ministry is working on the new financial requirements of the military.

The budget includes a NIS 1b. increase in infrastructure investment, with the lion's share going for roads.

The Treasury said it is also committed to improving water and sewerage systems.



Market problems in Kuwait

A group of investors look through a newspaper at the Kuwait Stock Exchange. The market in Kuwait has declined some 26 percent this year, the result of repeated clashes between the parliament and the government due to worsening oil prices and other factors.

(Reuters)

Daimler, Chrysler complete \$42b. merger

FRANKFURT (Reuters) - Juergen Schrempp, chairman of Daimler-Benz AG, yesterday welcomed the almost unanimous acceptance of a \$42 billion merger with Chrysler Corp. which will create the world's fifth largest automaker.

Around 97 percent of shares in the German carmaking giant were swapped for DaimlerChrysler shares during a 30-day period which closed last week, and Schrempp said he was taken aback at the strong positive response to the share-swap.

He said he never doubted that the 75% take-up needed to make the share-swap a success would happen, but he said even last Friday he was unsure if the desired 90% exchange of shares had been reached.

"That we would reach 97% at the first attempt, I didn't expect that," Schrempp said.

The transatlantic merger of the German industrial transport and services conglomerate and the third-biggest US auto maker will create an industrial giant with annual unit vehicle sales totalling four million.

With the 90% acceptance threshold crossed, Daimler shareholders will be entitled to one bonus share for every 200 Daimler shares held. Since it has effectively improved its offer, Daimler is now obliged under US regulations to extend the offer period until November 6.

The company also should be exempted from facing massive goodwill charges over the next 40 years. If it had fallen short of the threshold, DaimlerChrysler would not have been eligible

to use "pooling of interest" accounting and could have faced as much as 35b. dollars in extra costs.

Described by Schrempp as a "marriage made in heaven," the two companies hope that the merger will not only lead to significant cost savings but also provide mutual support for the development of their respective markets and products.

Both companies have stressed that the new group will combine their respective strengths in different markets and product niches.

Schrempp said first decisions about the co-management of the merged group could now take place, after the successful share-swap, and personnel details would be announced within the next two weeks.

EU to lend PA \$52m.

By DAN GERSTENFELD

The European Investment Bank (EIB) said yesterday that it will lend the Palestinian Authority some \$52 million for projects relating to water, transport infrastructure and tourism.

The EIB, which is the financing institution of the European Union, allocated the money following the signing of two agreements with the PA on Sunday in Gaza and Bethlehem.

The majority of the sum (\$25m.) is to be used by the Palestinian Water Authority for developing water resources in the southern West Bank.

The project, which is to cost some \$55m., is aimed at increasing the supply of potable water, reducing water loss and improving the service network around the Hebron-Bethlehem area.

Funding for this venture will also come from France, the UK and the International Bank for Reconstruction and Development.

The project, which is expected to be completed by the year 2002, will serve some 350,000 people.

Another \$17m. of the EIB money is to be used to improve existing roads in the West Bank with a total length of some 154 km.

The EIB said that the remaining \$10m. would be used to build a luxury hotel in Bethlehem. This project is to be cofinanced by the International Finance Corporation, the financing arm of the World Bank.

The 250-room hotel will be built by the Palestine Tourism Investment Company, a subsidiary of the Palestine Development & Investment Co. Other shareholders include Zara Group, the largest Jordanian hotel owner, and the Cairo-Amman Bank.

The EIB raises funds which are then lent on favorable terms to capital projects that further EU objectives. The EIB supports the EU's cooperation and development policies in over 120 countries.

Counterfeit goods threaten investment in Europe

GENEVA (AP) - Counterfeiting of goods and illegal use of trademarks in Central and East Europe is costing multinationals billions of dollars and jeopardizing future investment in the region, company representatives and UN experts said yesterday.

Worldwide piracy in the car parts trade alone costs the industry some \$3 billion each year, the UN Economic Commission for Europe said.

Jeans maker Levi Strauss and motor manufacturer Ford are among companies joining international agencies, law firms and others at a UN-organized forum this week to discuss ways of helping law enforcers in the region combat the problem.

The brand protection division of Levi's seized 1.5 million illegal copies of the company's products in 1997 in the region, division official Sandrine Besnard-Corbet told a news conference.

Copies of Levi's products that find their way onto the Russian market are manufactured in Turkey and Serbia, Besnard-Corbet said.

Executives at Ford are increas-

ingly concerned about the number of fake copies of its car components flowing into Central and Eastern Europe, Kevin England, the company's parts brand protection group manager, said.

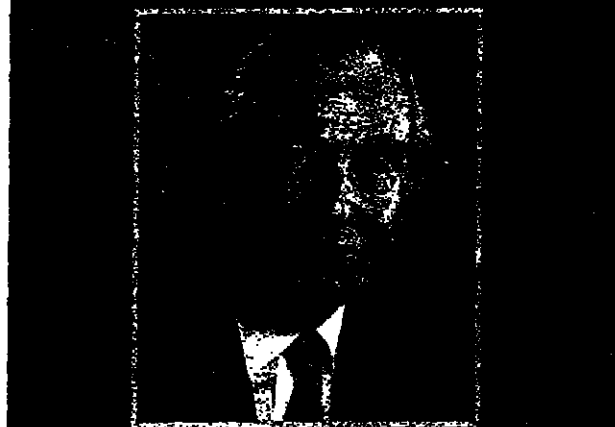
The company fears imitations of its alloy wheels, which it says are made in Poland, are of inferior quality and potentially dangerous, England said.

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Chaim Herzog



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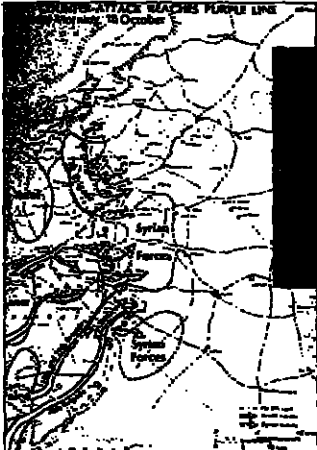
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THE CONFERENCE CIRCUIT

By GREGG FAY CASHMAN

28.10 Jerusalem will host the three-day Conference of the Society of American Travel Writers. The conference will open in the morning at the Jerusalem Theater, after which participants will tour the city and plant saplings in the SATW Grove.

28.10 The Center for the Advancement of Start-Up Companies in Israel, together with the Israel Export Institute, the Israel Manufacturers Association and Bank Leumi, is sponsoring a seminar on Financial Resources for Start-Up Companies at the Tuxedo Hall, in Textile House, 2 Kaufman Street, Tel Aviv. The seminar will focus on seed money, venture capital and raising money through floating shares in Israel and abroad.

28.10 Gathering to discuss Marketing and Advertising in a Period of Recession, marketing, advertising, sales-promotion and public-relations experts will debate whether activities in their respective fields should be increased or down-sized. The discussion will take place at a business networking meeting at the Dan Hotel, Tel Aviv at 6:30 p.m.

29.10 The Van Leer Institute, in conjunction with the Institute for Israeli Arab Studies, has organized a panel discussion on Anthropology and the Palestinians, a new book by Danny Rabinowitz.

29.10 The Tel Aviv branch of the Government Information Center, in conjunction with Tel Aviv University's Faculty of Humanities, will begin a weekly seminar series on The Middle East at the End of the Century in the Etinger Hall of the Gilman Building on the Tel Aviv University Campus. Professor Asher Susser will begin the series with a lecture on The Middle East at the Threshold of a New Era.

29.10 Competition has made many business firms more considerate of their clientele. Customer relationship management is fast becoming one of the major fields of management studies. To create greater awareness of its importance, People and

Computers Israel is organizing a seminar at the Holiday Inn, Tel Aviv, where senior executives from leading computer companies will focus on this burgeoning field.

1.11 The Inter-University Center for Terrorism Studies, a joint effort of the Holon Institute of Technology, Arts and Sciences; the Terrorist Studies Program at The George Washington University; The Morris E. Curriel Center for International Studies; and The Center for Special Studies at Tel Aviv University, are co-sponsoring an international conference on A Counter-Terrorism Strategy for the 21st Century: The Role of Intelligence. Keynote speaker will be former defense minister Moshe Arens. Academics from Israel and abroad, and leading figures from Israel's intelligence community will be among the other speakers. The conference will be held in Hall No. 7 in the Physics Building of Tel Aviv University.

1.11 Albert Fessey and Elizabeth Mansfield of Lloyd's Register Quality Assurance headquarters in England are coming to Israel to tutor a special, intensive five-day course for auditors and lead auditors to be held at the Tel Hotel, Tel Aviv. The course has been organized by LRQA, Haifa. Students who successfully complete the course will be entitled to IRCA certification.

3.11 The Turkish Embassy in Israel, together with the Moshe Dayan Center for Middle Eastern and African Studies, is hosting a symposium on Modern Turkey at 75 - Regional and International Relations. Speakers will include both diplomats and academics. The symposium will be held at Tel Aviv University's Ya'akov Effer Hall in the Naftali Building for Social Sciences.

3.11 Haifa's International Congress Center will be the venue for the 15th National Conference on Electricity in Israel. This year's conference will be more festive than previous ones as it will also mark the 75th anniversary of the Electric Corporation and the 50th anniversary of the state.

Where have all the shekels gone

What caused the shekel's recent decline, and where will it go from here?

MARKET WATCH

Considering its recent travails, one tends to forget that until a few weeks ago the shekel ranked, for a good four years, among the world's most stable currencies.

Indeed, economists had warned time and again that the shekel was overvalued and that a sharp depreciation was inevitable, but when the long awaited drop finally happened it still seemed to catch most pundits by surprise.

Most predictions were based on the assumption that the shekel's slide would be triggered by another interest rate cut by the Bank of Israel, which would in turn narrow the rate differential - i.e. the difference between local and foreign interest rates.

Yet in reality what initially triggered the shekel's fall was a sudden and simultaneous shedding of local shares by a host of foreign-based emerging-market funds.

Despite analysts' declarations that Israeli stock prices are still attractive and that local companies are traded at an effective discount when compared with stock prices of similar institutions in Europe and the US, overseas investors continued their hasty escape from any investment even remotely associated with the emerging-market category.

OVERSEAS investors were a major engine behind the Tel Aviv Stock Exchange's 80 percent surge since summer '96. Israel's inclusion in Morgan Stanley's and the IFC's lucrative emerging-market indexes signaled that foreign investors had entered the previously sluggish stock market.

With growing interest in emerging markets, and global investors becoming ever greedier, it was suddenly more fashionable to look for higher returns in promising, untapped markets.

The TASE benefited from Israel's association with the elite group of the most promising emerging markets. With a per capita GDP of some \$17,000, well within developed-world standards, and a promising high-tech industry, Israel seemed to be a relatively solid investment when compared with other emerging markets in Eastern Europe, the Far East and South America.

However, just as local investors became accustomed to enjoying the benefits of an "emerging mar-

ket," they learned that the TASE could also suffer if these promising markets failed to fulfill their potential.

The financial mayhem in Russia and Asia led to high withdrawals from funds that specialize in emerging markets. Fund managers who had to raise cash in the fastest manner, started selling holdings in stock markets where there was still something left to take out. Consequently, the stocks of Bank Hapoalim, Bank Leumi, Israel Chemicals, Koor Industries, Formula Systems and other companies which have been associated with overseas investors fell sharply as these investors scrambled for cash.

It was that stampede which ultimately also rattled the shekel.

Foreigners who sold stocks had to convert their shekel returns into foreign currency. In a setting of growing global financial nervousness and uncertainty, demand for the shekel was relatively low. This confluence of demand for dollars and a lack of demand for shekels resulted in a run on the shekel.

The Israeli business sector was forced to reevaluate its position. Faced with a rapidly appreciat-

ing dollar, Israeli companies that preferred foreign currency-linked loans because of the relatively high local interest rate, suddenly realized that the cheap loans they had previously enjoyed were becoming extremely expensive.

With Israeli companies holding \$8 billion in foreign debt, the shekel became glaringly vulnerable. Businessmen who borrowed years and Swiss francs while lacking foreign-currency revenues with which to match their newly assumed liabilities, suddenly realized that a depreciation of more than 20 percent since the beginning of the year could erase prevailing gains and raise their financing expenses dramatically. Those who didn't rush to buy dollars and didn't protect themselves by other means were forced to meet their obligations at a much higher price.

Economists fear that the banks that carelessly handed out foreign currency-linked credits in the past might be tempted to force borrowers to repay loans, thus leading to a further decline in the shekel.

Although so far there is no indication that the banking sector intends to take such measures, it is

definitely a possibility that market watchers aren't ruling out.

A BIGGER question, with much wider implications, is how the public will behave.

According to Bank of Israel figures released this week, the public currently holds some NIS 195 billion in shekel deposits and other unlinked saving schemes. If the shekel continues to fall, depositors might panic and start transferring funds into foreign currency-linked assets, thus accelerating the shekel's decline.

Most economists, to be sure, contend that there is no economic justification for a further decline in the shekel, though they do concede that the current currency-market situation is highly fragile.

The Bank of Israel will ultimately determine the direction of the foreign-currency market. The central bank has said in the past that it does not intend to intervene in trading by buying dollars. However, experts say that if the shekel depreciates further, such an intervention should not be ruled out.

According to the existing exchange regime, the shekel can still depreciate another 16% before

the central bank would be required to intervene. On the other hand, it is hard to believe that Governor Jacob Frenkel would let this deteriorate to such an extent before getting involved.

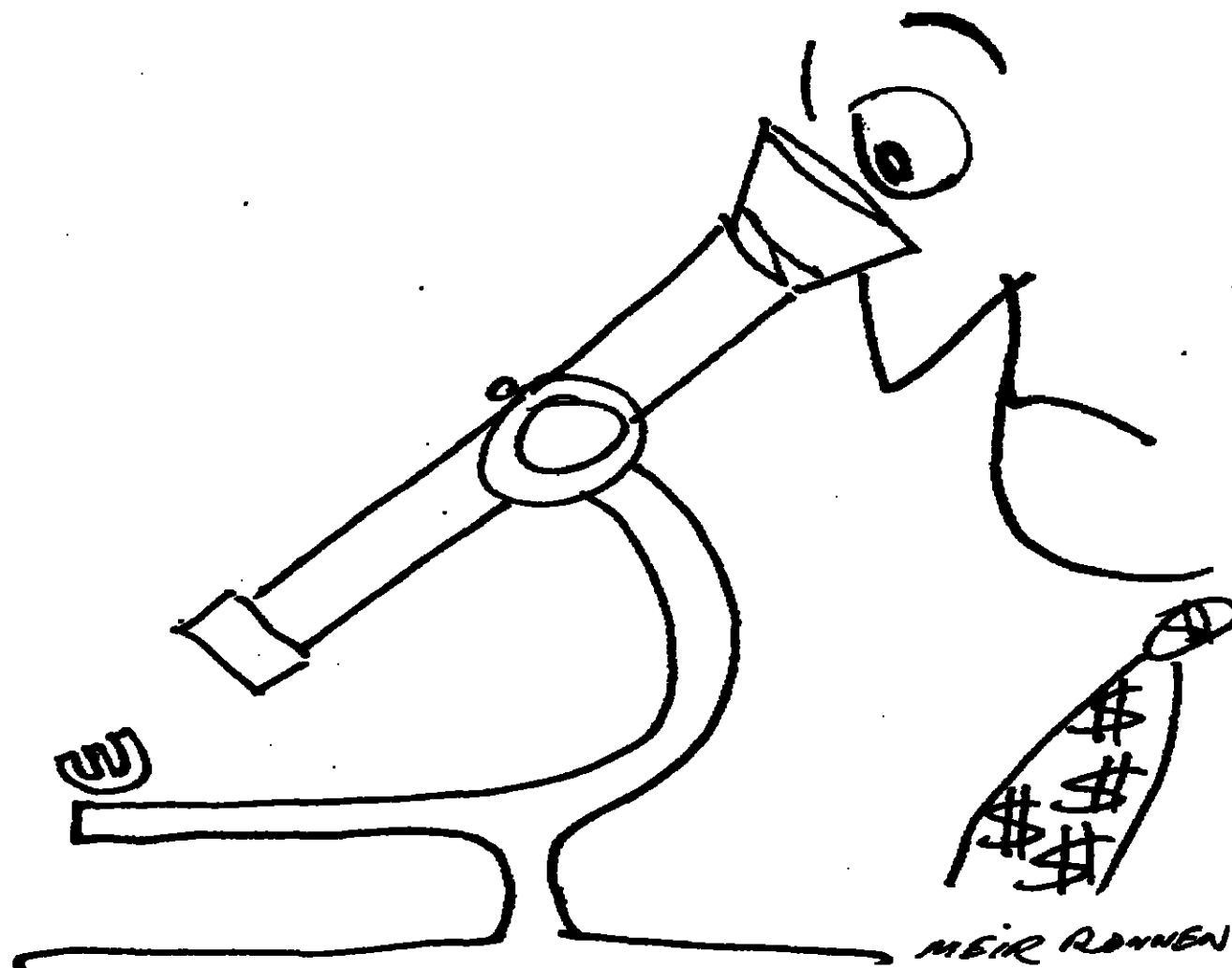
Meanwhile, the bank yesterday raised its key lending rate by 2% in an attempt to deter depositors from abandoning their shekel plans.

The argument in favor of this move is that if it successfully cools down demand for the shekel, the central bank can return to its policy of gradual monetary expansion as soon as next month.

If the rate hike fails to achieve its purpose, the Bank of Israel is likely to announce another rate hike in coming days, without waiting for its monthly end-of-the-month announcement.

At the end of the day, the sometimes-discussed prospect of a further decline in the shekel leading to a new era of economic liberalization seems remote.

It should be noted, however, that if the Bank of Israel fails to convince investors that it is determined to resist the shekel's decline, the unthinkable could become reality.



Singing the praises of small-cap stocks

You never know when the market is going to shoot up, but it's certain that if you aren't there, you won't profit. That's the lesson of October - especially the past two weeks. The Dow Jones industrial average, an index of big blue-chip stocks, fell 1,600 points between July 17 and Oct. 8, turning analysts and investors even more gloomy. But since then, the Dow has soared nearly 800 points. For the year so far, it has returned 7.7 percent - not shabby at all.

The turnaround in small-capitalization stocks has been even more dramatic. From Sept. 23 to Oct. 8, the Russell 2000 index of small-caps fell 12 trading days in a row, for a loss of 18%.

Since then, the Russell has risen eight out of nine days, for a gain of 16% - or nearly twice the increase in the Dow. Every day this week, the Russell's gains have whipped the Dow's decisively.

Lately, singing the praises of small-caps, I've sounded like a broken record. Small stocks had been beaten up so unmercifully that it seemed logical that at some point they would get up off the mat and fight back.

Large-caps had been hurt, too, but the divergence between small and big stocks had become extreme. "For the week ending Oct. 9," wrote L. Keith Mullins of Salomon Smith Barney, "the Russell fell 9% versus a rise of 1.5% for the DJIA. That differential - 10.5 percentage points - set a record, dwarfing the old mark of 7.2 percentage points, set in 1987."

"This is the fifth-straight year of underperformance by the small-caps" compared with the broad market, said Bert Boksen, small-cap portfolio manager for Raymond

James & Associates Inc. "Every time we've had five years of small-cap underperformance, it's been followed by five years of small-cap outperformance."

Case in point: From 1969 to 1973, large-caps returned an annual average of 2% while small-caps returned minus-12%. From 1974 to 1978, large-caps returned an annual average of 4% while small-caps returned 24%.

Mullins calculated that during the third quarter, stocks with a market cap below \$250 million declined by 28%, while those with market caps above \$20 billion declined by only 13%.

"I think, as a result of the third-quarter slaughter in the smaller-cap issues, that small stocks appear oversold in the extreme," he wrote to clients. In other words, Mr. Market is in a mood of hyper-pessimism, for no good reason. "In fact... the Russell 2000 has only been this oversold on one other occasion: during the sharp correction of 1990," Mullins wrote.

UNLESS history is bunk, the current divergence between small and large stocks has to end, and the little guys should whip the big fellows. That may be happening at last.

Consider four small-caps picked by Philip Trickett, manager of Transamerica Premier Small Company Fund. In less than two weeks, ProBusiness Services Inc., which handles payrolls for giant companies, has risen 26%. Hollywood Entertainment Corp.,

a video-rental chain, is up 36%. Alternative Living Services Inc., which runs homes for seniors, is up 12%, and Speedway Motorsports Inc., which owns and operates auto-racing tracks, is up 23%. The fund itself has risen 16% since Oct. 11 and is now up 12% for the year.

I bring up these figures to reinforce the principle that what goes down by an inordinate amount tends to bounce back the same way. Small-caps were priced in anticipation of a recession. Many still are. Yes, the economy is slowing down, and a recession could be upon us, but even if one occurs, long-term investors can ride it out and see the value of their small-caps rise. At these prices, small-caps appear irresistible.

"I am very optimistic," said Boksen, who points out that insiders - managers and owners - are buying small-caps, and the companies themselves are vigorously purchasing their own stock.

The case against small-caps has been built on their illiquidity - the fact that, since they aren't traded in such heavy volume as, say, General Electric Co. or Coca-Cola Co., they are more difficult and expensive to sell.

That's true. But why sell? Small-cap investors must be long-term investors. (But, then again, so should large-cap investors.) The rap on liquidity could keep prices low for a while - and selling for tax purposes may hurt small-caps in the immediate future, too - but Boksen believes his stocks

will finish strongly this year.

The top stocks in the portfolio that he and Jim Awad run for the Heritage Small-Cap Stock Fund: World Color Press Inc., high-tech printing; Inspire Insurance Solutions Inc., services for the insurance industry; Artesyn Technologies Inc., power-conversion equipment for computers; Strayer Education Inc., for-profit post-secondary schools; Legg Mason Inc., investment firm; Lennar Corp., home builder; Interim Services Inc., personnel; Eltron International Inc., smart-card printers; Hughes Supply Inc., construction supplies; and Gentex Corp., fire-protection products.

Mullins has a list - called Emerging Growth Focus - that's worth perusing as well. It includes Apollo Group Inc., which, like Strayer, is a leader in one of my favorite businesses, money-making education. Apollo, which has increased its earnings at 30% annually, declined by nearly half in two months. But since Oct. 5, it has gained 43%.

Others that Mullins recommends: Aviation Sales Co., Dollar Tree Stores Inc.; Medical Manager Corp., which sells administrative systems to doctors; Nova Corp., which processes transactions for small businesses; and Watco Inc., a distributor of air-conditioning and heating equipment with a growth rate of 25% and a price-to-earnings ratio of 18.

But don't get too obsessed with numbers alone. Buy small-caps for the reason you buy large: because you like the company, not just the price. As Boksen reminds us, "People tend to think of stocks as pieces of paper, but they represent ownership in growing businesses." (Washington Post)

Ways of Wall Street



By JAMES K. GLASSMAN

Irish Life in merger talks with Irish Permanent

Irish Life Plc, Ireland's largest insurer, said it's in merger talks with Irish Permanent Plc, the largest mortgage lender, to form a \$3.6 billion financial services company.

A merger would create Ireland's third-largest financial services group with a market value of 2.4 billion pounds at current share prices. It would also make it more difficult for Abbey National Plc of the U.K., which owns 9 percent of Irish Permanent, to take over the mortgage lender.

Insurance and mortgages are attractive businesses for financial institutions because both carry

long-term, stable streams of revenue that are resistant to an economic slowdown.

Friday, France's Axa SA, Europe's largest insurance company, said it's in talks to buy Belgian mortgage lender Anyp NV.

"It looks like a good strategic fit, but I wouldn't be surprised if Abbey National were interested in the combined group," said Ian Poulter, an analyst with Williams de Broe in London, who rates Abbey National a "buy."

Irish Permanent, which would be the smaller partner in a merger with Irish Life, converted from a building society in October 1994.

Irish law protects former building societies from unwanted takeover for five years after a conversion.

Abbey National, Britain's second-largest mortgage lender with a £16.0b. market capitalization, built up a 9% stake in the Irish mortgage company, but is prohibited from owning more than 15% until the protection period ends.

Irish Life for some time has been seeking to buy a retail bank through which to sell its insurance products. Irish Permanent, with around 21% of the Irish mortgage market, has about 90 branches in Ireland.

"In any such merger it is envisaged that the transaction would be

concluded on terms broadly in line with the recent market capitalizations of the two companies, Irish Life spokesman Ray Gordon said.

Irish Life said talks between the chief executives will "explore both the opportunities and 'impediments' to a merger. The company confirmed weekend press speculation of a possible merger in a statement to the London Stock Exchange.

A merger will create Ireland's third-largest financial services group behind Allied Irish Banks Plc, the country's largest bank, and Bank of Ireland, Ireland's other large banks are Ulster Bank,

a unit of the UK's National Westminster Plc, and National Irish Bank, a unit of the National Australia Bank.

A merger would also mean there would be fewer potential bidders for the Irish state-owned banks, ACC Credit Corp. and ICC Bank Plc, which the Irish government is looking to sell.

Irish Life and Irish Permanent have both been seen as potential bidders for ACC and ICC.

The Irish economy grew 9.5 percent in 1997 and had an annual inflation rate of 3.0 percent as of September.

(Bloomberg)

Building Blocks

By Shi Davidi

■ Sales of both new and second-hand houses between January and June 1998 were down 17 percent over the same period last year, according to the Housing Ministry's October report.

Sales of new houses between January and August 1998 were also down 17%.

Between January and September 1998, the 10 biggest real-estate dealers in the country saw their sales fall 14% from last year.

Between January and August 1998, nominal prices fell by 0.1%, after rising 0.2% in '97. The Housing Ministry report also shows a 17% decline in mortgage contracts signed between January and August 1998. For young couples signing the drop is only 7%.

The biggest decline came from recently arrived immigrants who took out 32% fewer mortgages.

The recession is blamed for the 26% decline in new construction between January and July 1998. Public construction has fallen by 38% while private building is down 21%.

■ The Ezra Uzariot company will launch a series of projects in Tel Aviv worth \$180 million, including the \$25m Yarkon Hotel and a \$25m industrial park beside Yeha Elyahu.

■ The Mizrahi and Bnei Zion contractors have taken the bid for NIS 3.75 for the purchase of any of the following projects: Shira Hachayim in Ashdod Park, Granim in Rehovot, Granim Bakrya in Holon, Mizrahi Aviv, Alonot Hatzafon and Beit Hatzafon in Rishon LeZion, Beit Hakoren Gardens in Jerusalem, and Mizrahi Hatzafon in Givat Yehon.

■ Since the promotion of a new five-story apartment building in Nizanei Aviv, have been sold for prices ranging from \$355,000-\$373,000. In Alonot Hatzafon, three three-story condos were sold for \$175,000.

each, three three-room condos with a balcony went for \$195,000, and two five-room condos were sold at \$230,000. In Beit Hatzafon, five apartments were sold at prices ranging from \$160,000 for 3.5 rooms to \$240,000 for a five-room flat.

■ In Hatzafon, the Health Center, the new center for sports medicine, has rented 200 spaces in the Daniel Hovav at \$25 a space.

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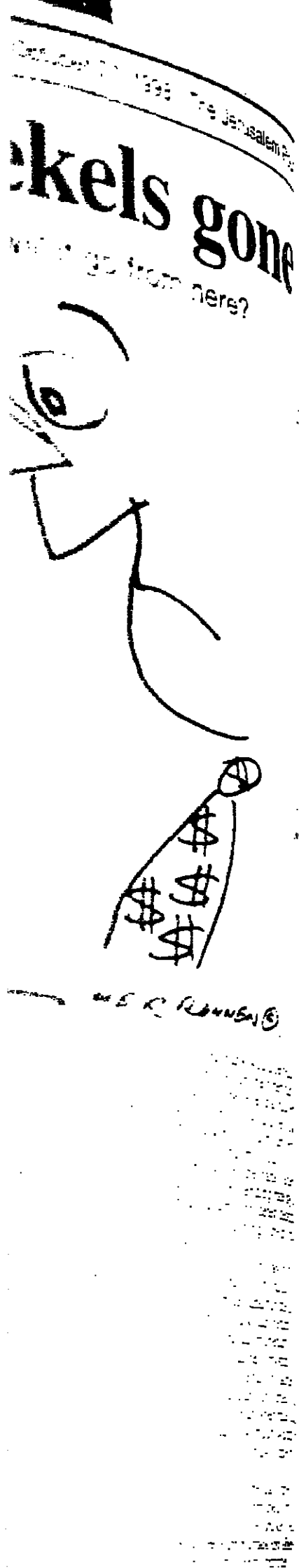
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Shells gone
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Shells gone
from here?

TASE mixed after rate hike

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Tel Aviv

Israeli stocks were mixed yesterday, with Koor Industries' NIS 1.75 billion (\$410 million) takeover bid for Tadiran tempering concern raised by a greater-than-expected interest-rate increase by the Bank of Israel.

The bid by Koor, Israel's largest industrial company, for all the outstanding shares of Tadiran, sparked speculation of greater consolidation among Israeli companies, countering concern of higher borrowing costs raised by the Bank of Israel's largest interest-rate increase this decade.

The Maof index declined 0.03 percent to 281.28. Koor rose 1.63 percent to NIS 311. Tadiran, which gained 17.37 percent yesterday, fell 3.01 percent to 121.80.

"Koor's move is also making people think more about mergers and other types of activities," said Ron Weisberg, a trader at Israel Brokerage and Securities Ltd.

Holding stocks in check, the Bank of Israel increased its benchmark rate 2 percentage points to 11.5 percent to clamp down on inflation. The increase strengthened the shekel, which will cut exporters' earnings.

Nice Systems, a designer and maker of telephone call center systems, rose 2.02 percent to NIS 81.

Dead Sea Bromine, a chemical manufacturer, rose 2.49 percent to NIS 20.60.

Formula Systems Ltd. fell 1.95 percent to NIS 85.30. The holding company, with interests in software and information technology businesses, received a near-term "buy" recommendation from

Merrill Lynch & Co.

Europe

European bourses closed generally higher yesterday as Wall Street firm and Germany's DAX index stormed ahead, putting on almost three percent.

Frankfurt's DAX index shrugged off a softer dollar to close floor trading 2.85% higher at 4,577.74 points.

London's FTSE 100 index ended cautiously higher, up 1.4 points at 5,231.5, having spiked more than 100 points upwards in early trade to its highest level since September 16.

The strong start to trading in Frankfurt fuelled the early rise, with German stocks lifted by a decline in the mark against the dollar, coupled with talk of lower European interest rates.

"The bottom line is that we have been led by Germany today," said a sales trader at a leading US investment bank.

"But no one is chasing the market. Everyone knows what the problems are and everyone knows [UK] interest rates are going to fall. So the market is just trading water."

On the Paris bourse, too, stocks firmed early but lost their sparkle slightly by the close as the German interest rate comments dampened hopes that the outlook for European interest rate cuts was looking brighter.

The blue-chip CAC-40 index closed up 55.72 points, or 1.64 percent, at 3,449.48 amid thin volume after Hans-Juergen Koebnick, a member of the German central

STOCKS

Maof 281.28 ∇ 0.03%

Dow Jones 8432 ∇ 0.2%

FTSE 5231.5 Δ 0.28%

Nikkei 13843.46 ∇ 2.13%

and planning at Kokusai Asset Management, which handles 1.33 trillion yen (\$11 billion) in securities.

Moody's Investors Service Friday said it may cut its ratings on four leading lenders - including Japan's biggest lender, Bank of Tokyo-Mitsubishi - as well as on Sanwa Bank, Sumitomo Bank Ltd., and Industrial Bank of Japan Ltd., on concern economic conditions in Japan and the rest of Asia are deteriorating.

Bank of Tokyo-Mitsubishi fell 5.8 percent to 1,069. Sanwa Bank fell 5.9 percent to 885 and Sumitomo Bank Ltd. shed 3.7 percent to 1,125. Analysts say the likely rating cut also reflects worries that Japanese bank earnings will be cramped by an estimated 77 trillion yen (\$663 billion) in bad debts.

NEC Corp., the world's second largest maker of computer memory chips, fell 6.8 percent 880 after it posted a half-year loss. The company reversed its full-year forecast to a 3.5 billion yen (\$295 million) loss, from a profit of 55 billion yen, because of falling demand for telecommunications equipment in Japan.

SK Telecom Co., Korea's largest mobile phone service provider, led the decliners as Korea's benchmark Kospi index fell 2.0 percent to 373.32. SK Telecom fell 4.4 percent to 606,000 won.

Anam Semiconductor Co. and Anam Electronics Co. both fell 12 percent - the daily limit on an individual share's movement - after major creditor Cho Hung Bank said the companies had asked creditors to reschedule its debt payments. (Bloomberg)

Wall Street

Blue-chip shares edged lower, but most stocks rose yesterday in a session interrupted by computer malfunctions on the New York Stock Exchange.

The Dow Jones industrial average fell 20.08 points - or by 0.2 percent - to 8,432.21 despite overcoming a 44-point loss and gaining as much as 68. The barometer of 30 big companies fell 80 points on Friday to snap a seven-session winning streak.

The Russell 2000 index of smaller companies rose for a ninth straight session, and the Nasdaq market posted big gains as technology shares resumed their rally after a mild bout of profit-taking on Friday.

The NYSE reportedly began having equipment problems about 12:35 p.m. and trading stopped about 45 minutes later. It was the first time in recent memory that trading was halted due to equipment failure on the NYSE, which has spent more than \$1 billion in the last 10 years upgrading its systems.

The Standard and Poor's 500 rose 1.65 to 1,072.32, and the technology-heavy Nasdaq composite index rose 31.10 to 1,724.96.

Advancing issues outnumbered decliners by a 4-to-3 margin on the New York Stock Exchange, with 1,790 up, 1,332 down and 411 unchanged.

The NYSE composite index rose 0.19 to 530.01. NYSE volume totaled 600.22 million shares as of 4 p.m., down from a modest 632.32 million on Friday. (AP)

Dollar gains as EU leaders demand rate cuts

The dollar rose against the mark yesterday, halting two days of decline, after European Union legislators demanded lower interest rates to boost growth.

With 11 of the EU's 15 countries led by Social Democratic-style parties, calls for increased government spending and interest-rate cuts dominated the gathering in Austria. Their main goal was to increase employment.

"There are now more and ever more serious questions about how independent the European Central Bank is going to be and whether it can resist the political pressure for softer monetary policy," said John Praveen, who helps Credit Suisse Asset Management oversee \$30 billion in assets.

"It's not clear they can resist the pressure," he said, adding he's looking to buy dollars if it

rallies above \$1.68 to the mark.

The dollar rose to 1.6510 marks, from 1.6383 late Friday in London. It rose to 118.90 yen from 118.00, extending last week's 2.5% gain on evidence Japan's economy is sinking deeper into recession. Moody's Investors Service said it may cut the credit ratings of eight Japanese life insurers.

At weekend EU meetings, French Prime Minister Lionel Jospin said: "Europe... has the means to be a zone of growth" and that "slow inflation" should "inspire those who make the decisions" on interest rates.

New Italian Prime Minister Massimo D'Alema said the threat of global recession "justifies reductions in interest rates." The summit produced "strong omens" that rates will fall, he was quoted by the Ansa news

CURRENCIES

Dollar 4.189 ∇ 1.41%

Basket 4.602 ∇ 1.62%

Mark 2.538 ∇ 1.96%

Sterling 7.048 ∇ 2.02%

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Olmert: Capital could host \$2m tennis tourney

By HEATHER CHAIT

It sounds far-fetched but along with its reputation as the country's center of prayer, there are plans afoot to make Jerusalem the center of sport.

At a meeting of the International Board of the Israel Tennis Centers in Jerusalem last week, incumbent mayor Ehud Olmert outlined his plans for the development of sport in the capital, and in particular, tennis.

After describing plans for the new basketball stadium, "the biggest in

the Middle East," and an Olympic-sized pool, Olmert directed his focus to tennis, calling for "a major tournament which will become part of the professional tour and will attract first-class international competition."

"I promise you, that if I am Mayor in the next five years, the Municipality will be prepared to engage in a joint operation with the Israel Tennis Centers, to move the money necessary for it, build up the facilities and create the necessary facility to make the Jerusalem tournament a major event on the Tour."

Director-General of the ITC, Ehud Federman was cautious last night about Olmert's grand scheme. "With two million dollars, we can easily upgrade the Jerusalem Challenger (now \$50,000) to an ATP Tour event but I'm somewhat doubtful that this plan will materialize," he said.

Without being specific, Olmert referred to cities in the world, smaller than Jerusalem, which host tournaments with \$2 million prize money, saying, "We have large companies with revenues that can

afford (to sponsor such an event)."

The International Board, under Chairman Seymour Brode from Detroit, approved a budget of NIS26 million to maintain the 12 Tennis Centers throughout the country.

Amos Mansdorf, Israel Tennis Association's professional committee reported favorably on the Centers' heightened activity in discovering and nurturing young talent. He called for two additional red clay courts to be made available to familiarize local players with the most popular surface in use in Europe.

Agassi back in world top five

STUTTGART (Reuters) - Andre Agassi regained the top five in the world rankings for the first time in more than two years yesterday.

His victory over Slovak Jan Krosak in the Czech Indoor final on Sunday lifted the former world No. 1 to fifth in the latest ATP Tour list.

It was the American's fifth title this season and his 10th final.

Agassi has not enjoyed such a high placing since 1996 - a year in which he was No. 1 for two weeks. The American, who had re-dedicated himself to the game after and awful 1997 season, was a miserable 140th at the same time last year.

"It was a perfect week," said Agassi of his performance in Ostrava. "I had great support from the

crowd and I played really well." Agassi, currently in Stuttgart for the \$2.45 million Eurocard Open, was due to play Romanian Andrei Pavel in his first match tomorrow. With 65 victories, he is the most successful player on the circuit this year in terms of wins. He has a 65-15 record compared with the meagre 12-12 he managed last year.

But he did not quite make it when it mattered most and suffered a frustrating grand slam season, failing to go beyond the fourth round in any of the big four.

While Agassi has a mathematical chance of ending the year as number one, the race for top spot is effectively between Pete Sampras, Marcelo Rios and Patrick Rafter. All three are in Stuttgart but do not play before tomorrow.

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The Ministry of the Interior Bid No. 29/98

Request for Proposal (RFP)

The Ministry of the Interior, The Ministry of Construction and Housing and the Israel Land Authority have decided to prepare a District Outline Plan for the District of Jerusalem. This RFP is intended for those interested in submitting a detailed work plan proposal in accordance with the RFP specifications, that may be purchased for a fee of 800 NIS from:

Mr. Yosef Grunzweig, Director of Facilities, The Ministry of the Interior, Kiryat Ben Gurion, 2 Kaplan Street, Room 105, Jerusalem during the days Sunday - Thursday: from 26/10/98 until 12/11/98 between the hours 9:00 - 13:00.
The final date for submission is 17/12/98 until 12:00 noon.

All questions regarding the RFP should be sent via fax to: 02-6701633 Attention: M. Ofer Gridinger, only in Hebrew, as should every proposal.

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Sports Editors

Joe Hoffman & Ori Lewis

Mac. Haifa win women's soccer showdown 1-0 over Hap. Tel Aviv

By AMMANIAH de VRIES

Host side Hapoel Tel Aviv went down 1-0 to Maccabi Haifa at Givat Aliya last night in the clash of the titans of Israeli women's soccer.

Playing with a depleted starting lineup due to administrative difficulties, Hapoel suffered their first-ever loss in any competition. It was the first decisive result between the two sides, widely regarded as Israel's best.

Meital Dayan scored the winner for Haifa in the first half in a very evenly-matched game, but an apparent refereeing blunder in the last minutes of the game saw Tel Aviv substitute Eva Grinspun's goal disallowed for offside. She moved in from the edge of the area to blast the ball into the back of the Haifa net from a corner.

Other results yesterday were Hapoel Marmorek 0, Beitar Jerusalem 3; ASA Tel Aviv 0, Hapoel Ashkelon 0; Maccabi Ahi Nazareth 0, Bnot Ramle 3; Hapoel Jerusalem 0, Hapoel Petah Tikva 12. Maccabi Netanya host Maccabi Tel Aviv today in the remaining fixture of the second round.

Women's National League	P	W	D	L	Pts
Maccabi Haifa	2	2	0	0	6
Hapoel Ashkelon	1	1	0	1	3
ASA Tel Aviv	1	1	0	1	3
Hapoel Tel Aviv	1	1	0	1	3
Bnot Ramle	1	1	0	1	3
Maccabi Tel Aviv	1	1	0	1	3
Hap. Petah Tikva	1	1	0	1	3
Hap. Marmorek	1	1	0	1	3
Beitar Jerusalem	1	1	0	1	3
Ahi Nazareth	1	1	0	1	3
Maccabi Netanya	1	1	0	1	3
Hap. Jerusalem	1	1	0	1	3



HAPPY HOSSES - Broncos QB John Elway celebrates a score, and RB Terrell Davis eludes a sideline tackle to pick up short yardage against Jaguars. Denver won, 37-24.



Broncos, Vikings remain unbeaten

Davis, record-tying FG sparks Denver; Minnesota also at 7-0



DENVER (AP) - Jason Elam kicked a record-tying, 63-yard field goal and Terrell Davis became the third player to reach 1,000 yards rushing in seven games as the Denver Broncos improved to 7-0 for the first time in its history with a 37-24 victory over the

Jacksonville Jaguars Sunday. Elam's kick at the end of the first half tied the NFL record for longest field goal set by New Orleans' Tom Dempsey in 1970. Davis, the NFL's leading rusher, finished with 136 yards to reach 1,001 for the season. He joins Jim Brown (1958) and O.J. Simpson (1973 and 1975) as the only players to reach the 1,000-yard mark in seven games.

John Elway completed 21 of 35 passes for 295 yards and a touch-

down for the Broncos. Jacksonville's Mark Brunell was 28-of-46 for 353 yards and three touchdowns, but he was sacked seven times.

Vikings 34, Lions 13
Randall Cunningham threw two touchdown passes and host Minnesota scored 17 consecutive points in the third quarter to remain undefeated.

Robert Smith rushed for 134 yards on 19 carries, including a 57-yard touchdown to clinch it for

the Vikings (7-0), who defeated Detroit (2-5) for the second time this season.

Lions rookie Charlie Batch, who made his NFL debut at Minnesota in the third game of the season, was 20-of-37 for 231 yards with one TD pass and one interception. But Detroit was hurt by sloppy play, which resulted in 14 penalties for 169 yards.

Jets 28, Falcons 3
Curtis Martin rushed for more than 100 yards for the fourth

straight game, Vinny Testaverde threw for two TDs and Anthony Pleasant led a stingy defense as New York won at home.

Jerome Henderson went 53 yards with a fumble return and Keith Byars had a 22-yard TD reception for the Jets (4-3), who shut down the Falcons and their 44-year-old QB Steve DeBerg.

Atlanta (5-2) was held to 55 yards on the ground, including 46 by leading NFC rusher Jamal Anderson. DeBerg went 9-for-17

for 117 yards and an interception in just under three quarters.

49ers 28, Rams 10

Steve Young threw three touchdown passes and Darnell Walker had two first-half interceptions that led to scores as visiting San Francisco beat the Rams for the 16th straight time.

Jerry Rice set an NFL record by catching a pass in 184 consecutive games.

See NFL, Page 18

Blatter expecting strong English World Cup 2006 bid

By MIKE COLLETT

LONDON (Reuters) - FIFA president Sepp Blatter said yesterday that he expected England to present a strong, professional bid to host the 2006 World Cup finals - although Africa was still the logical choice to stage the tournament.

However, Blatter emphasized that any successful nation would have to meet all the conditions laid down by FIFA for hosting the tournament - listing stadium facilities, transportation, telecommunications, security and hotels - and only then could an African nation be considered.

Blatter, 62, making his second visit to England in a month, said at a news conference after meeting British prime minister Tony Blair at Downing Street. "Nothing has changed since I first became FIFA president in June. I think that after the United States in 1994, France in 1998 and Asia in 2002, the logical choice for the 2006 World Cup should be Africa."

"But I know we will get a very strong, professional bid from England, and it is not just me that makes the decision but the 24 members of the FIFA Executive," Blatter also said that the "hooligan elements" that attach themselves to the English team would not damage England's hopes.

This was a view welcomed by British Sports Minister Tony Banks, who said that the Prime Minister has reassured Blatter legislation would soon be in place closing loop-holes that allow known hooligans to follow England to matches around Europe.

England's campaign to stage the World Cup for the first time since 1966 gained a boost earlier this month when FIFA brought forward the deadline for bids to be submitted from September 1999 to July 1999 - which could put extra pressure on some of the other contenders.

Blatter confirmed that he expected bids from England, Germany, South Africa, Nigeria, Morocco, Egypt and Brazil.

Alec McGivan, the director of the English campaign said on Monday: "If you take South Africa as our strongest opponents, there are a lot of conditions to be met and the big question is, will South Africa meet those conditions in time?"

"The final bids must go in by next July and I imagine South Africa has got a lot of work to do to meet those conditions. That is an issue and a problem for them."

"We were at pains today to make it clear to the president of FIFA that we are ready. We talked about the building of the new Wembley but that is the last piece of our jigsaw and everything else is in place for us to stage a great World Cup and I think the FIFA president has recognized the strength of our position."

"I have no doubt at all that we are the strongest candidate in what we can offer FIFA," McGivan said. FIFA inspection teams will visit the contenders next year and a final decision will be made in March 2000.

Gascoigne out of rehab, promises no more drinking

MIDDLESBROUGH (AP) - Troubled midfielder Paul Gascoigne rejoined Middlesbrough yesterday, just 16 days after checking into a clinic for treatment of stress, depression and alcohol problems.

Appearing at a news conference alongside manager Bryan Robson, the former England star said he would stop drinking and try to cope better with the off-the-field pressures that have burdened him throughout his career.

The 31-year-old "Gazza," one of the most scrutinized personalities in Britain, was admitted to the rehabilitation clinic after a series of drunken incidents that were widely reported in British newspapers.

"It wasn't just the drinking," he said yesterday. "It was everything. Depressed. Stress. I thought it would be in the best interest that I get away. I went to the hospital where I could sort everything out. I feel better for it."

Asked whether the treatment included admitting he was an alcoholic, Gascoigne said, "I'm not going to go into that." But he did say, "I have decided to stop drinking. It is important to keep off the drink." Asked whether he was a changed man, he said, "I'll let you decide that."

When Gascoigne was admitted to the clinic, there was speculation he could be in treatment for up to six months. Many were surprised that he was returning to the club after just two weeks.

But Robson said the doctors who treated Gascoigne felt he was ready to rejoin the club while continuing his treatment. Robson said Gascoigne would return to the hospital "a couple of days a week" for ongoing treatment for the next month.

"The medical people are delighted with the intense work he put in," Robson said. "They said he was an excellent patient, and has come on in leaps and bounds." Robson said Gascoigne trained with the club yesterday morning and "looked good."

The manager said he would assess Gazza's fitness during the week and would consider using him in Sunday's Premier League game against Nottingham Forest.

Moger's 50-footer wins for Kings

GREENSBORO, (AP) - Sandy Moger scored with a 54-foot shot to give the Los Angeles Kings a 3-2 victory over the Carolina Hurricanes on Sunday night.

Moger took a pass from Mattias Ohlund and fired a shot from 50 feet that skidded under goalie Trevor Kidd's stick.

Manny Legace, making his third appearance for the Kings with regular goalies Stephane Fiset and Jamie Storr sidelined by groin injuries, made 29 saves. Legace made 49 saves Wednesday night in a 1-1 tie at Florida, and sustained a mild concussion Friday night in a 3-2 loss at Tampa Bay.

Luc Robitaille and Glen Murray also scored for the Kings. Gary Roberts and Robert Kron scored for the Hurricanes.

Lightning 3, Canucks 2
Vincent Lecavalier, the No. 1 overall pick in the June draft, scored his first NHL goal as Tampa Bay won at home.

Jassen Cullimore broke a 2-2 tie with a power-play goal with 12:23 left as Tampa Bay increased its winning streak to three games, the Lightning's longest streak since a four-game run Feb. 20-25, 1997.

Tampa Bay's Wendel Clark tied it 43 seconds into the third period with his fifth goal of the season and 29th of his career.

Vancouver defenseman Mattias Ohlund had his first two-goal game. Coyotes 2, Mighty Ducks 2

Teemu Selanne scored once and set up Steve Rucchin's tying goal with 4:28 left as host Anaheim tied Phoenix.

Nikolai Khabibulin stopped Anaheim's first 26 shots before Selanne scored his third goal of the season.

Los Angeles 0-1-3
Carolina 0-1-2
First Period - None. Second Period - 1, Carolina, Kron 2 (Pineau, Sheppard), 8:02. 2, Los Angeles, Robitaille 4 (Farraro), 8:22. 3, Los Angeles, Murray 2 (Robitaille), 12:22. Third Period - 1, Carolina, Roberts 2 (Battaglia, O'Neill), 2:46. 2, Los Angeles, Moger 1 (Kron), 12:35. Shots on goal - Los Angeles 4, 13-8-25. Carolina 8-13-10-31. Goalsies - Los Angeles, Legace. Carolina, Kidd. A-5,569.

Phoenix 1-0-0-2
Anaheim 0-0-2-2
First Period - 1, Phoenix, Tverdokhovo 3 (Tuchina, Rucchin), 5:11. Second Period - 1, Phoenix, Tuchina 2 (Lumme, Drake), 6:23. Third Period - 1, Anaheim, Rucchin 1 (Selanne, Kariya), 8:22. Overtime - None. Shots on goal - Phoenix 13-11-11-1-36. Anaheim 11-9-11-3-34. Goalsies - Phoenix, Khabibulin. Anaheim, Robit. A-16,113.

season with 11:38 left in the third period. Oleg Tverdokhovo and Keith Tkachuk scored for Phoenix.

Atlantic Division
Philadelphia 4 1 2 10 18 10
New Jersey 3 3 0 6 12 13
N.Y. Islanders 3 4 0 6 15 18
N.Y. Rangers 2 4 2 6 15 23
Pittsburgh 2 2 1 5 14 18

Northwest Division
Toronto 5 1 1 11 26 19
Montreal 3 3 1 7 17 14
Boston 3 4 1 7 15 14
Ottawa 3 3 0 6 17 16
Buffalo 2 3 1 5 14 15

Southeast Division
Washington 3 2 2 8 13 10
Florida 2 1 3 7 10 11
Carolina 2 2 3 7 17 15
Tampa Bay 3 4 1 7 19 23

Western Conference
Central Division
Detroit 5 2 0 10 21 12
Chicago 4 2 1 9 19 19
St. Louis 3 2 1 7 17 16
Nashville 1 5 3 9 15 22

Northwest Division
Vancouver 4 3 0 8 19 14
Edmonton 3 4 0 6 21 19
Colorado 1 4 1 5 19 25
Pacific Division
Dallas 5 1 1 11 19 11
Los Angeles 3 2 2 8 17 17
Phoenix 2 2 1 5 12 11
Anaheim 2 3 1 5 11 11
San Jose 0 4 2 2 10 18

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EUROPE WEATHER TODAY

City	Today	High	Low	Wed	High	Low	Thurs	High	Low	Fri	High	Low
Athens	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Berlin	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2
London	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2
Madrid	22/11	22/11	10/2	22/11	22/11	10/2	22/11	22/11	10/2	22/11	22/11	10/2
Moscow	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2
Paris	12/5	12/5	10/2	12/5	12/5	10/2	12/5	12/5	10/2	12/5	12/5	10/2
Rome	20/10	20/10	10/2	20/10	20/10	10/2	20/10	20/10	10/2	20/10	20/10	10/2
Warsaw	10/2	10/2	10/2	10/2	10/2	10/2	10/2	10/2	10/2	10/2	10/2	10/2
Vienna	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2
Zurich	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2

ISRAEL CITIES

City	Today	High	Low	Wed	High	Low	Thurs	High	Low	Fri	High	Low
Ariel	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Be'er Sheva	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Dead Sea	33/91	33/91	22/71	33/91	33/91	22/71	33/91	33/91	22/71	33/91	33/91	22/71
Eilat	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Haifa	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Jerusalem	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Netanya	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Tel Aviv	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Beer Sheva	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6

INTERNATIONAL CITIES

City	Today	High	Low	Wed	High	Low	Thurs	High	Low	Fri	High	Low
Amsterdam	10/5	10/5	10/5	10/5	10/5	10/5	10/5	10/5	10/5	10/5	10/5	10/5
Beijing	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2
Bombay	31/84	31/84	24/74	31/84	31/84	24/74	31/84	31/84	24/74	31/84	31/84	24/74
Brussels	11/5	11/5	10/2	11/5	11/5	10/2	11/5	11/5	10/2	11/5	11/5	10/2
Cairo	31/84	31/84	24/74	31/84	31/84	24/74	31/84	31/84	24/74	31/84	31/84	24/74
Chicago	21/7	21/7	10/2	21/7	21/7	10/2	21/7	21/7	10/2	21/7	21/7	10/2
Hong Kong	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
Los Angeles	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6
London	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2
Madrid	22/11	22/11	10/2	22/11	22/11	10/2	22/11	22/11	10/2	22/11	22/11	10/2
Moscow	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2
Montreal	12/5	12/5	10/2	12/5	12/5	10/2	12/5	12/5	10/2	12/5	12/5	10/2
Mumbai	31/84	31/84	24/74	31/84	31/84	24/74	31/84	31/84	24/74	31/84	31/84	24/74
New York	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2	14/5	14/5	10/2
Paris	12/5	12/5	10/2	12/5	12/5	10/2	12/5	12/5	10/2	12/5	12/5	10/2
Peking	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2	16/5	16/5	10/2
Rio de Janeiro	27/18	27/18	15/6	27/18	27/18	15/6	27/18	27/18	15/6			